

ENSURING A COMPETITIVE ADVANTAGES MARKETING STRATEGIES

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Abstract: The integration of the country's economy into the world economy, the strengthening of globalization trends have made the problem of competitiveness of economic entities especially urgent. Taking into account the reconstruction and prosperity of the republic's economy in the post pandemic period, today for sustainable and sustainable development, also to ensure an increase in the income of the population in the territories liberated from occupation have a major importance formation of a competitive non-oil sector. Also ensuring the competitive advantage of economic entities in the republic proper management of marketing strategies and implementation issues are distinguished by their topicality.

Key words: competition, competitive advantage, enterprise, marketing strategy, economic entities.

The competitiveness of economic entities is possible due to the effective use from competitive advantages. In order to ensure the competitiveness of economic entities, it is

necessary to bring it to a superior position in sustainable competition (sustainable competitive advantage - SCA). In addition, research by M. Porter [5] shows that the competitive advantages gained in the domestic market allow firms to operate successfully in international markets.

Resources that will provide a competitive advantage have to be following features:

- Creates value for customers;
- Have unique or rare quality;
- It is impossible to be repeated by competitors [2].

Creating a sustainable competitive advantage is possible due to belong company and easy non-repetitive resources. Porter identifies two ways for a firm to create a competitive advantage over its competitors: “Although each company has a number of strengths and weaknesses compared to its competitors, they can generally have two competitive advantages: low costs and product differentiation. The importance of a company's strengths and weaknesses is ultimately determined by its ability to minimize costs compared to competitors and achieve greater product differentiation” [2]. This provision is confirmed by the rating of success factors compiled by J. Beraks:

Table 1.

Rating of success factors

Success factors	%
Competitive price	65.1
Quality of product	54.7
Knowing the needs and demands of the consumer	33.5
Presentation of roduct / service	29.6
Close contact with customers	29.2
Quick response to consumer needs	26.4

Source: [5]

As can be seen from the rating of success factors, the main success factors of economic entities are related to the price and quality of the product. Other factors can be related to the price and quality of the product in general.

Cost minimization strategy. Researches [3] shows that in developing countries such as Azerbaijan, economic entities should use a cost-cutting strategy for succeed in the foreign trade. Minimization of costs, which are a means of gaining a competitive advantage, affects the competitiveness of economic entities in two ways:

1. Formation opportunities for low-cost economic entities to lower prices compared to competitors and hence have price competitiveness than competitors.
2. Low costs allow economic entities to have more free funds than their competitors and this allows them to finance new projects and expand their businesses.

So, the main task facing businesses that want to gain a competitive advantage is to achieve the minimum possible costs. To do this, to identify the main factors influencing the formation of costs, to analyze them and need lowered as much as possible. Factors affecting costs and their levels of impact from area to area and even varies from enterprise to enterprise and it is possible them summarized as follows (Figure 1):

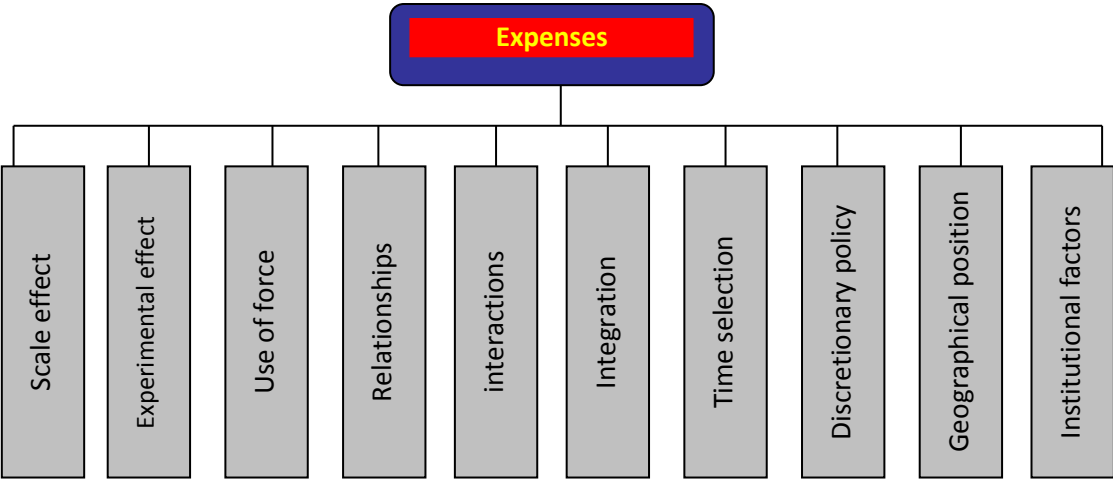


Figure 1. Cost minimization factors [1].

Differentiation strategy. Product differentiation differs from competing products due to its valuable features for the customer. In this case, the company can use the superior features of the product to set a higher price than competing products. The factors that differentiate a company's product are almost the same as the factors that affect costs, but their sequence of significance in terms of differentiation is different:

- discretionary policy of the enterprise;

- relationships (internal and external);
- time selection; location area;
- mutual relations;
- exchange of experience, knowledge and technology;
- integration;
- scale;
- institutional factors.

Of course, product differentiation measures require additional costs from the business entity and ultimate, its requires from company to set a higher price for the product. If the differentiated features of the product are valuable to buyers enough to pay an additional amount, then the differentiation strategy will be considered successful. Therefore, the cost of differentiation by the company should not be higher than the value provided by the buyers of the features provided to the buyer through the differentiation. Figure 2 shows the general differentiation directions of the company.

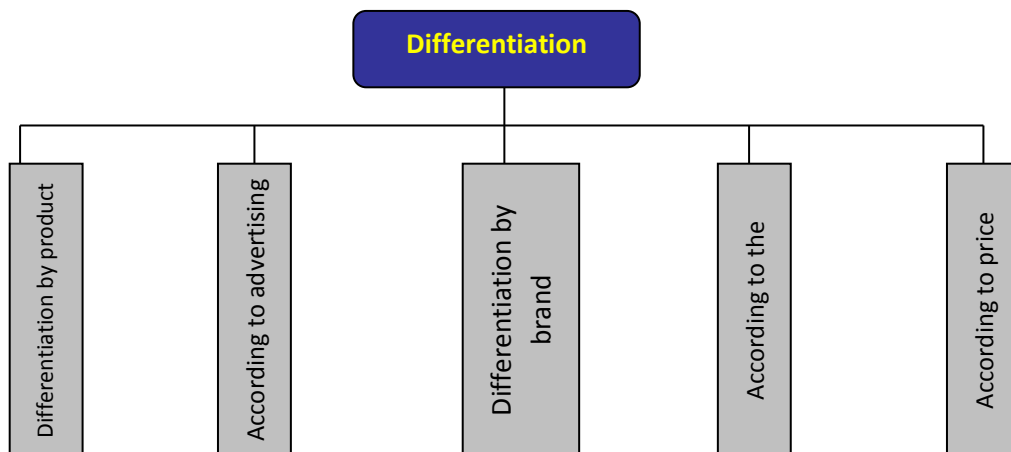


Figure 2. Proposal differentiation factors of proposal [2].

There is also a focusing strategy on creating a sustainable competitive advantage and the difference between this strategy and the two strategies we have mentioned is that it focuses on a narrow area within the field. “A company that chooses a concentration strategy chooses a specific segment or group of segments and focuses its activities exclusively on this segment or group of segments. It wants to achieve a certain competitive advantage in these segments by optimizing its strategy according to the target segments, although the company may not have a common competitive advantage

in all areas” [1]. There are two types of concentration strategies: cost focusing and focus on differentiation. The focusing strategy has many advantages over other strategies designed to serve a wider market and the most important of these is that a company that implements a focusing strategy is better able to identify and meet the characteristics and needs of a particular segment than its competitors (is considered those who present a common strategy for the entire market).

Gain competitive advantage of economic entities in national and international markets depends from which level they activate the determinants of competitiveness.

The success of economic entities in markets where success is achieved through competition start through proper management at the strategic, tactical and operational levels. In order to achieve the goals of economic they should be develop and implement appropriate marketing strategies.

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***Анотація:** Інтеграція економіки країни у світове господарство, посилення тенденцій глобалізації зробили проблему конкурентоспроможності суб'єктів господарювання особливо актуальною. Враховуючи відбудову та процвітання економіки республіки в постпандемічний період, формування такого конкурентоспроможного нафтового сектору на наших звільнених територіях є сьогодні важливим для сталого розвитку та підвищення доходів населення. Актуальністю також виділяються питання правильного управління та реалізації маркетингових стратегій, що забезпечують конкурентну перевагу суб'єктів господарювання в республіці.*

***Ключові слова:** конкуренція, конкурентні переваги, підприємство, маркетингова стратегія, суб'єкт господарювання.*