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Competition in Marketing

In order to identify and evaluate its main competitors the company must develop a competitive marketing strategy by which it can gain a competitive advantage to offer products of higher customer value. Universal strategy that would ideally fit any company does not exist. Each company must determine which strategy will work best, given its position in the industry and its goals, capabilities and resources. Michael Porter suggested four main strategies of competitive advantage: winning three and losing one.

1. Absolute superiority costs. In this case, the company is working hard to achieve a minimum cost of production and distribution, to set the price lower than the competition and seize a larger market share (Texas Instruments, Dell Computer and Wal-Mart).

2. Specialization. In this case, the company focuses on creating highly specialized product portfolio and marketing programs, speaking, so the industry leader in this category (IBM and Caterpillar use this strategy).

3. Concentration. In this case, the company focuses on quality service multiple market segments, rather than the total market. For example, a hotel chain Ritz Carlton focused on 5% of the most profitable corporate and private clients.

The authors of the book "Marketing Warfare" Al Ries and Jack Trout, said that "Marketing - this is war" and, summarizing, experience bloody confrontation tribes, peoples, nations brought him into the marketing theory. Authors of the theory of marketing wars argue that business and the main competitors are the only opponent. However, it is not so. On the marketing field are still at least two significant forces.

First, is a consumer. For his confidence must be fought by offering them a product or service that you do not have a competitor. Second, it's the power structures that form the "rules of the game", as well as various lobbyists operating in the market.

Andrei Fedotov, executive director of Russian Public Relation Group, divides all consumers on both active and passive. Active almost always know what they want. Passive contrary, doubt, and before you make a choice in favor of a product, think a hundred times. Last often become victims of marketing wars.

In marketing wars in the course are various kinds of control agents: Prices and discounts, power structures, lobbyists and rumors, promotional war brands.

Thus, the company leading the marketing wars can use in its arsenal to combat different types of funds. They can choose one of the winning competitive strategies: absolute superiority on the costs of specialization and concentration, as well as take more aggressive measures. In this case, the company's advertising instigate war brands resorting to the use of false information, rumors, resorted to administrative resources and lobbyists and a price war.