COMPETITIVITY OF THE COMPANY AND PRODUCT PROMOTION
MANAGEMENT

Lecturer Ph.D. Nicoleta Grideanu
„Spiru Haret” University, Faculty of Management, Brasov, Romania
E-mail: nicoleta_grideanu@yahoo.com

Abstract
Achieving success requires identifying specific factors from the internal environment which make the difference between the competences of a company from another and are decisive in creating the competitive advantage such as: existence of performing managers, perception of clients’ needs, and existence of creativity. All these factors are determined either by market analysis and analysis of the features of each segment, or by analyzing the aspects which make the difference between the success companies and the other ones.

Keywords: company competitiveness, product promotion, lifecycle of the company, production maximization, competitive advantages.

Building the market economy is a completely new process, a long term process, with a particular complexity, requiring multiple economical, social and political mutations. Their operationalization is conditioned by the contents and quality of the promoted management.

Managerial theory and practice have underscored the existence of a strong connection between the lifecycle of the company and the contents of the managerial activities. This can be ascertained only after establishing the steps of the lifecycle of the company.

The lifecycle of the company can be divided as follows:
• existence of the company;
• survival of the company;
• success of the company;
• expansion of the company;
• maturity of the company.

The role played by the management is to establish objectives and gather the resources of the company in order to lead a process of transforming them into goods or services. The prerequisite is that the process to be efficient. The efficiency of products/services of the
company is shown by the results of the marketing activity. Efficiency is a notion which synthesizes the success in business.

This means achieving a goal, recognizing that the goal has been achieved and realizing a minimum expenditure of resources to achieve that goal.

Efficiency is therefore expressed by effectiveness-achieving the goal, proper efficiency – minimum resource expenditure, productivity – satisfactory transfer of entries into outcomes.

In order to have success in business one must develop. In order to develop you depend on: share capital intensity, productivity, market increase, position on market, quality of products, innovation, vertical integration, maturity of the field, pressure of costs, company lifecycle.

The success factors are classified as follows: action oriented, simple structures, partnership with the clients, productivity increase, employees autonomy, great business orientation, persistency in what is better known, strict control.

Success of the company means a performing management. In this context obtaining performance requires:

- accomplishing in time the activities;
- getting close to the consumer;
- promoting the autonomy and entrepreneurial spirit;
- maximization of production;
- reality contact;
- accomplishing what is known;
- organizing simple and flexible structures;
- simultaneous centralized and decentralized management.

Competitiveness of a company in the market economy requires, mostly, market research, research of its competition environment in order to identify any potential new product entry similar from the technical point of view or substitutes which might effectively invade the market.

The strategy adopted by the company implies a structural approach vision on the market, its investigation resulting in the identification, assessment and selection of the segments and of the type of the target consumers using specific techniques of market segmentation.

Achieving the goals of the company presumes meeting and overcoming the needs of the consumers on the competitive market, better than the others. In order to do that, it is considered that the following conditions must be fulfilled:

- consumer orientation;
- integrated effort;
• goal achievement.

A company’s success in business depends highly on its competitive advantages in relation to other producers. In this context eight performance zones can manifest themselves being decisive for the long term success of a company, and they are:
• position on the market;
• innovation;
• productivity;
• physical and financial resources;
• profitableness;
• managerial performance and development;
• employees performance and attitudes;
• public responsibility.

Competitiveness advantages can be measured by:
• cost advantages allowing the company to obtain higher margins than their competition, even though they settle their prices around or below the market price;
  • differentiation aiming at assuring the perception of the customers about the product offered by the company of being unique on the market;
  • market focusing assuring the coverage of a spread market or a very individualized niche.

The more and more complex character of the present economy associated with the permanent evolution of environmental factors raises for the companies the issue of shaping the future, of establishing their place and roles in an unforeseeable future.

Achieving this goal imposes drawing up an adequate policy and strategy in order to accomplish the main objectives settled by each company.

The objectives of the activity of promoting the company’s products are settled on different periods of time in relation with the decisions made by it: a long-term, short-term or medium term strategy. By the strategy adopted in this field the company establishes the ways and methods to accomplish its objectives. In this respect, the following conditions are necessary to be fulfilled cumulatively:
• the objectives must be measurable, quantifiable; in this way clear, precise responsibilities can be settled as well as follow-up and control of their achievement;
  • the objectives must be classified on departments and staggered in time;
  • the objectives must have a concise, synthetic form;
• achieving the objectives implies the cooperation and concurrence of all the departments, sectors of the company during the entire period for which the strategy is adopted;
  • the objectives shall be realist in their dimensioning; the real, concrete situation of the company shall be taken into account;
  • the objectives shall be coherent, harmonious, both at company’s level and at each division or department level.

The products of the company consider their adaptation to the consumers, users and real social needs. In this respect the following elements are considered:

• identification of future users needs from functional features point of view given to that product;
• establishment of the possibilities and conditions to develop the manufacture of the product or to assimilate new products, in order to use at maximum the technical and productive potential;
• specification of the features regarding the reliability, ergonomic and esthetic requests, delivery price, etc;
• establishment of a product mix requested by the customers and specify the possibility of standardization;
• identification of requests regarding packing conditions and type of packing when it is not specified in the contracts or demands.

Company’s products promotion consists of:

• establishment of the place of the product in the total area of use of that product;
• participation at fairs and exhibitions organized or not by the company to present the products, the specific features through functionality demonstration;
• draw up and release of commercial brochures, samples, handouts and leaflets to make the product known or to present own products;
• draw up the commercial advertising and evaluate its effect;
• enlarge the relations of direct presentation of products by contacting the representatives of their users.

All these reasons are in order to achieve the following objectives of promoting activity of the company's products:

• know the real needs of the end-users (customers);
• assure a sure order portfolio;
• sign economic agreements favorable for both parties;
• identify new customers (end-users) for the products of the company;
• establish the most efficient sources of distribution to satisfy both the producer and the user;
• diversify and modernize the production and fabrication profile;
• enlarge the scale of products and services;
• strengthen the typification and standardization process.

An important role in promoting and sale of products of the company is played by the form, methods and moments of distribution, the objectives of which can be synthesized as follows:

• establish the areas with users, the moments or periods when the products are needful;
• establish the number of real and potential users, the specific of their activity, the sources of supply used by them, the dimension, structure and quality of their requests;
• specify the system and the methods of distribution and identify the shortcomings in their functioning in order to establish measures to improve the activity;
• establish the modalities to inform the distributors about the products in the product line, or which will be assimilated and involve them in the promotion of the company’s own products;
• specify the delivery conditions and establish the improvement measures;
• determine the transportation and depositing needs.

The objectives of the promotion activity of the company’s products are focused on increasing the competitiveness on the competitive market; they must assure the transfer of products from producers to end-users (customers) in optimal conditions and on time.

The system of market economy represents a modern economic system, a system of the present-days, the beginnings of which were marked by the appearance of the capitalist system in Western Europe based on the following concept plans: spiritual, institutional and technical.

The activity of one market segment is defined by:

1. existing competitors – generate rivalry at the level of that particular market segment; the attractiveness of a market segment is in inverse ratio to the number, power, aggressiveness and position of competitors; the costs of the competitors are influenced by the stability of the occupied market segment, the proportion between the demand and offer, the capacities of production in excess, fixed costs, entry – exit barriers, advertising etc;

2. potential applicants – represent, due to their economic, financial and technical power, a factor that affects the attractiveness degree of the occupied market segment; the potentiality to entry on the market of the products of the company is influenced by the height and degree of penetration of entry barriers;
3. *similar products* – consider their number, diversity and performances which determine the diminishment of the attractiveness;

4. *buyers* – influence the products quality, the range of the offered services and price level;

5. *providers* – influence the prices, the products delivery conditions, payment conditions, etc.

For the company, the selected market segments become target segments with the following issues:

- composition of the pairs product-market, establishing the range and types of products offered to each segment of market;
- products positioning in relation with the competitors.

The company represents in the Romanian economy the base of the social existence through its capacity to create and distribute material goods and services necessary to the everyday life. A well-managed company open to well-defined organizational structures, to continuous development and improvement, to adaptability to new market exigencies and requirements, can achieve the purpose of its existence – to obtain a maximum profit.

The companies which do not focus on marketing mix, which do not have a well-defined policy in the own products promotion field loose important clients.

Image, own products promotion and customer centricity are defining elements of marketing activity. The advertisement for the manufactured products takes into consideration the following aspects:

- broadcast credible informative messages on the product or on the service;
- influence the consumers preferences to obtain their adhesion, to stimulate their buying decision.

The advertising is reproached with putting *make-up* on the reality and creating false needs, broadcasting influencing messages instead of informative ones, imposing upon consumers with no prior consent, manipulating them or lying to them, conditioning them towards the profit of a reduced number of favored.

The role of an advertisement, as a function of publicity, is to *present without revealing*, to be divided between the promotion of economical values function and the undeclared discourse through which they act upon the knowledge requiring motivation, favoring or vexing the psychological trends of the consumers, influencing therefore their behaviors.

Promotion through advertisement can be done also by qualified personnel by presenting directly the product to potential customers, by incentives for selling and by public relation system of that company.
Company’s products promotion on the competitive market represents a *set of actions and methods to inform and attract potential customers towards selling points, in order to satisfy their needs and wishes and, consequently, increase the economic efficiency of the activity of manufacturing companies.*

Within the companies there is a certain management of the relations with the markets – labor market, raw materials market, financial market, customers market, market of products of various branches of economy etc. An important role in these markets is played by the customers market which is associated with the idea of marketing-management of the company.

Managerial decision is the mark that the company leaves on the marketing activity on a competitive market. It the essence of management and represents the efficient solution of the problems. Managerial decision must be rational, proved scientifically, but intuitive valences and interpersonal relationships are not excluded. It manifests itself on the market through the image the company creates within the customers and providers.

Carrying out with responsibility the marketing activity on the market is the quality of Sales Directors, advertising managers, product managers, market managers, marketing managers, and so on.

**References**


Demetrescu, M.C., 2000, *Metode de analiză în marketing*, Editura Teora, București


