



A STUDY ON COMPETITIVE ANALYSIS AND DIFFERENTIATION IN STARCH MARKETING WITH SPECIAL REFERENCE TO VARALAKSHMI STARCH INDUSTRY AT SALEM

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ABSTRACT

The purpose of this paper was to examine the relationships between differentiation strategies, competitive intensity and company performance. It was also to estimate the effect of interaction terms of differentiation strategies and competitive intensity on company performance. Data were obtained from 100 respondents operators in the Salem region through a structured questionnaire. The paths of the relationships were estimated and tested using simple percentage analysis. The findings suggest that differentiation strategies have a significant impact on company performance and that competitive intensity partially influence the performance of company. Competitive intensity was, however, found not to moderate the relationship between differentiation strategies and company performance. The study findings will greatly help employees of the sago industry to appreciate the critical contribution of competitive intensity and differentiation strategies in estimating the performance of company. The interactive terms of differentiation strategies and competitive analysis add to the divergent ways of measuring sago industry performance.

Keywords: Differentiation strategies, competitive analysis, company performance

INTRODUCTION

The way a business differentiates its goods or services from those of its rivals is known as competitive differentiation. Based on the things such as customers value, its price, brand, customer service, or functionality it is determined. Ensuring prospective customers are aware of what makes a product or service unique is the responsibility of marketing. This is how businesses draw in, pick up, and hold onto clients. Customers have a wide range of options in most crowded markets. It is a rare circumstance for a company to find itself in which it does not need to set itself apart from any competition (direct or indirect). Delivering a superior solution and assisting clients in understanding the advantages of the product or



service above competing offerings is the only way to stand out in a crowded market. Key elements of a product or other offering that customers value such as branding, functionality, pricing, and customer service are the foundation for competitive difference. These distinctions are an essential part of any business's marketing strategy and are commonly employed to make sure that prospective customers are aware of what makes the offering special in order to draw in and win over loyal clients. The technique of competitive differentiation aids customers in separating a company from comparable rivals and provides them with a strong argument for choosing.

REVIEW OF LITERATURE

David (2019) Managers need competitive information to understand the industry and its competitive and to identify areas in which the competitive are weak and to evaluate the impact of strategic action on competitive. Studying the actions and behavior of close competitive is essential. Unless a company pays attention to what competitive are doing, it ends up „flying blind“ into battle. A firm cannot out man over its rivals without monitoring their actions and anticipating what moves they are likely to make next.

Joseph Jone (2019) The strategies rivals are using and the actions they are likely to take next have direct bearing on what a company's own best strategic moves are, whether it will need to defend against rivals' actions or whether rivals moves provide an opening for a new offensive thrust. To predict competitors next moves, an analyst must get a good feel for the riva's situation, how its managers think, and what its options are. The detective work can be tedious and time-consuming since the information comes in bits and pieces from many sources. But it is a task worth doing well because the information gives managers more time to prepare countermoves and a chance to beat rivals to the punch by moving first.

Chen M (2020) Competitive analysis begins with identifying present as well as potential competitive. It portrays an essential appendage to conduct an industry analysis. An industry analysis gives information regarding probable sources of competition (including all the possible strategic actions and reactions and effects on profitability for all the organizations competing in the industry). However, a well-thought competitive analysis permits an organization to concentrate on those organizations with which it will be in direct competition, and it is especially important when an organization faces a few powerful competitive.

John Mathew (2020) Identifying competitive strategies, strategists can get a quick profile of key competitive by studying where they are in the industry; their strategic objectives (as revealed by their recent actions), and their basic competitive approaches. Aggressive expansion via both acquisition and internal growth; expansion via internal growth (boost market share at the expense of rival firms); expansion via acquisition

Giget M (2021) Competitive analysis is interested ultimately in developing a profile on how competitive might be expected to react in response to a company's strategic moves. Competitive analysis involves developing answers to a series of questions regarding the



companies and its competitive future objectives, current strategy, assumptions, capabilities, and response.

Ghoshal S (2021) A firm's competitive are all of those firms which compete for its customers spending power. And competitive analysis is about sizing up the competition to give a business owner a more realistic view of the market and the company's position in it. Yet not every competitive warrants the same level of attention in the strategic plan. Strategists also need to consider whether a rival is flexible enough to make major strategic changes. Content rivals are likely to continue their present strategy with only minor fine-tuning.

Hamel G (2022) Predicting competitive next moves is the hardest yet most useful part of competitive analysis. Good clues about what moves a specific competitive may make next come from finding out how much pressure the rival is under to improve its financial performance. Aggressive rivals usually undertake some type of new strategic initiative. Since managers generally operate from assumptions about the industry's future and beliefs about their own firms situation, strategists can gain insights into the strategic thinking of rival managers by examining their public pronouncements about where the industry is headed and what it will take to be successful, listening to what they are saying about their firms situation, gathering information about what they are doing, and studying their past actions and leadership styles.

Johnson G (2022)The main objectives of doing competitive analysis can be summarized as: to study the market; to predict and forecast organization's demand and supply; to formulate strategy; to increase the market share; to study the market trend and pattern; to develop strategy for organizational growth; when the organization is planning for diversification and expansion; to study forthcoming trends in the industry; understanding the current strategy strengths and weaknesses of a competitive can suggest opportunities and threats that will merit a response; and insight into future competitive strategies may help in predicting upcoming threats and opportunities. Competitive should be analyzed along various dimensions such as their size, growth and profitability, reputation, objectives, culture, cost structure, strengths and weaknesses, business strategies, exit barriers, etc.

RESEARCH METHODOLOGY

It refers to the process used to collect information and data for the purpose of making business decision. The methodology may include publication research, interview, surveys and other research techniques, and could include both present and historical information. The research does not work systematically on problems, there would be less possibility to find out the final result. For finding or exploring research questions, a researcher faces lot of problems that can be effectively resolved with using correct research methodology.



TYPES OF RESEARCH DESIGN

The setting up of parameters for data collecting and analysis in a way that seeks to balance procedural efficiency with relevance to the study goal is known as research design.

SOURCES OF DATA COLLECION

- Primary data
- Secondary data

PRIMARY DATA

Primary Data is the data that is original and collected by the researcher freshly. In this study primary data was collected through questionnaire method through Google form survey.

SECONDARY DATA

Secondary data is the data, which is already available. It can be obtained through company records, internet and some data collected from the observation method by the researcher.

SAMPLING DESIGN

Descriptive research is the sampling strategy used in this investigation. The design was selected because it effectively conveys both the opinions that people have about a given system and its features.

SAMPLING TECHNIQUES

The sampling techniques used for the survey was convenience sampling. Convenience sampling is the type of Non- Probability sampling method which means selecting convenient samples for research.

SAMPLE SIZE

The sample size is certified to its nature of data collection, data collection is based on the primary data. 100 respondents are taken as the sample for this study.

ANALYTICAL DESIGN

- Simple percentage method
- Chi-Square Test
- Correlation



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PERCENTAGE ANALYSIS

Percentage refers to a special kind of ratio. Percentage is used in making comparison about two or more series of data. Percentage is also used to describe relationship. It is also used to compare the relative terms of two or more series of data.

$$\text{Simple percentage} = \frac{\text{No. of respondents}}{\text{Total No. of respondents}} \times 100$$

CHI-SQUARE TEST

It is one of the simplest and widely used non parametric test in statistical work. The quantity chi-square describe the magnitude of the discrepancy between theory and observation which is defined as,

$$\chi^2 = \sum \frac{(\text{observed value} - \text{expected value})^2}{\text{expected value}}$$

In general the expected value for any can be calculated from the following equations

$$E = \frac{RT \times CT}{N}$$

E = Expected frequency CT = Column total

RT = Row total

N = Total number of observations

CORRELATION

Like every statistical techniques, correlation is appropriate only for certain kinds of data. Correlation applies for quantified data which numbers are meaningful, usually quantities of some sort.

$$r = \frac{\sum XY}{\sqrt{(\sum X^2)(\sum Y^2)}}$$

DATA ANALYSIS AND INTERPRETATION

TABLE NO – 1 GENDER OF THE RESPONDENTS

GENDER	PERCENTAGE



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Male	54%
Female	46%
TOTAL	100%

INTERPRETATION

The above table shows the gender of the respondents, 54% of the respondents are male and remaining 46% of the respondents are female. Majority 54% of the respondents are male.

TABLE NO - 2 MARITAL STATUS OF THE RESPONDENTS

MARITAL STATUS	PERCENTAGE
Married	70%
Unmarried	30%
TOTAL	100%

INTERPRETATION:

The above table shows the marital status of the respondents, 70% of the respondents are married and remaining, 30% of the respondents are unmarried. Majority 70% of the respondents are married.

TABLE NO – 3 AGE OF THE RESPONDENTS

AGE	PERCENTAGE
25 – 30 years	32%



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30 – 35 years	30%
35 – 40 years	28%
Above 40 years	10%
TOTAL	100%

INTERPRETATION:

The table shows the age of the respondents, 32% of the respondents are in the age group of 25 – 30 years, 30% of the respondents are in the age group of 30 – 35 years, 28% of the respondents are in the age group of 35 – 40 years and remaining 10% of the respondents are in the age group of above 40 years. Majority 32% of the respondents are in the age group between 25-30 years.

TABLE- 4 AGREE WITH BRAND DIFFERENTIATION INFLUENCE CUSTOMER LOYALTY

CUSTOMER LOYALTY	PERCENTAGE
Strongly Agree	36%
Agree	32%
Disagree	18%
Strongly Disagree	14%
TOTAL	100%

INTERPRETATION:

It is evident from the above table that agree with brand differentiation influence customer loyalty, 36% of the respondents are strongly agree, 32% of the respondents are agree, 18% of the respondents are disagree and remaining 14% of the respondents are strongly disagree. Majority 36% of the respondent are strongly agree with brand differentiation influence customer loyalty.

TABLE NO - 5 PRODUCT DIFFERENTIATION STRATEGIES IN THE FIRM



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STRATEGIES	PERCENTAGE
Supply value	22%
Cost leadership	30%
High target of differentiation	31%
Focus cost oriented	17%
TOTAL	100%

INTERPRETATION:

The above table shows the kinds of product differentiation strategies follow in firm, 22% of the respondents are follow supply value, 30% of the respondents are follow cost leadership, 31% of the respondents are follow high target of differentiation and remaining 17% of the respondents are follow focus cost oriented. Majority 31% of the respondents are following high target of differentiation strategy.

TABLE NO – 6 BRAND DIFFERENTIATION EFFECT ON FIRM'S COMPETITIVE ADVANTAGE

ADVANTAGE	PERCENTAGE
Always	28%
Sometimes	26%
Rarely	24%
Never	22%
TOTAL	100%

INTERPRETATION:

The above table shows that brand differentiation effect on firm's competitive advantage, 28% of the respondents said brand differentiation always effect on firm's competitive advantage, 26% of the respondents said brand differentiation sometimes effect on firm's competitive advantage, 24% of the respondents said brand differentiation rarely effect on firm's competitive advantage and remaining 22% of the respondents said brand differentiation never effect on firm's competitive advantage. Majority 28% of the respondents said brand differentiation always effect on firm's competitive advantage.



TABLE- 7 BRAND DIFFERENTIATION STRATEGIES FOLLOW IN COMPETITIVE MARKET

STRATEGIES	PERCENTAGE
New product launch	30%
Different of product quality	24%
Time supply	20%
Maintain the stock level	26%
TOTAL	100%

INTERPRETATION:

The above table shows the brand differentiation strategies follow in competitive market, 30% of the respondents are follow new product launch, 24% of the respondents are follow different of product quality, 20% of the respondents are follow time supply and remaining 26% of the respondents are follow maintain the stock level. Majority 30% of the respondents are following new product launch strategies in competitive market.

TABLE- 8 METHODS FOR PROMOTING PRODUCTS TO CUSTOMERS

METHODS	PERCENTAGE
Personal selling	26%
Advertising	28%
Direct marketing	24%



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Sales promotion	22%
TOTAL	100%

INTERPRETATION

The above table shows that methods for promoting products to customers, 26% of the respondents are using personal selling method, 28% of the respondents are using advertising method, 24% of the respondents are using direct marketing method and remaining 22% of the respondents are using sales promotion method. Majority 28% of the respondents are using advertising method for promoting product to customers.

TABLE- 9 COMPETITORS MEASURES FOCUSED IN THE FIRM

COMPETITORS MEASURES	PERCENTAGE
Retail sales	24%
Customer strength	30%
Manufacturing capabilities	20%
Commitment to portable dough	26%
TOTAL	100%

INTERPRETATION:

The above table shows that competitor measures focused in the firm, 26% of the respondents are focused on retail sales, 30% of the respondents are focused on customer strength, 20% of the respondents are focused on manufacturing capabilities and remaining 26% of the respondents are focused on commitment to portable dough. Majority 30% of the respondents are focused on customer strength of the firm.

TABLE- 10 BRAND DIFFERENTIATION INFLUENCE CUSTOMER LOYALTY

CUSTOMER LOYALTY	PERCENTAGE
Develop personalized customer service	18%



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Develop a community	30%
Listen to and act on customer Feedback	36%
Start building customer loyalty	16%
TOTAL	100%

INTERPRETATION:

The above table shows that brand differentiation influence customer loyalty, 18% of the respondents are develop personalized customer service, 30% of the respondents are develop a community, 36% of the respondents are listen to and act on customer feedback and remaining 16% of the respondents are start building customer loyalty. Majority 36% of the respondents are listening to and act on customer feedback.

FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

1. Majority 54% of the respondents are male.
2. Majority 70% of the respondents are married.
3. Majority 32% of the respondents are in the age group between 25-30 years.
4. Majority 36% of the respondent are strongly agree with brand differentiation influence customer loyalty.
5. Majority 31% of the respondents are following high target of differentiation strategy.
6. Majority 28% of the respondents said brand differentiation always effect on firm's competitive advantage.
7. Majority 30% of the respondents are following new product launch strategies in competitive market.
8. Majority 28% of the respondents are using advertising method for promoting products to customers.
9. Majority 30% of the respondents are focused on customer strength of the firm.
10. Majority 36% of the respondents are listening to and act on customer feedback.

CHI-SQUARE ANALYSIS

The P value is 0.274 and significant level @ 5% is 16.919. The P value is less than tabulated value. Thus there is no significant relationship between education qualification and retail purchase of competitive analysis in starch market.



CORRELATION

The correlation value is 0.9907, which is a positive correlation. Thus, there is relationship between occupation and price of the product differentiation strategies.

SUGGESTIONS

Thus effective competitive advantage will be achieved through distinctiveness in its differentiation and to achieve such distinctiveness, significant marketing resources will have to be employed so as to create distinct brand personalities, awareness and loyalty for the product. The report suggests that successful campaigns from competitors can help see what works well in food market. It can use this information to create or refine own plan. In developing marketing strategy for products, it is recommended that the relative elements of brand differentiation should be blended to reflect the importance attached to having maximum competitive advantage in the market place. The key types of differentiation are product differentiation, personnel differentiation, and channel and image differentiation. Since there is a high level of brand preference in the market, effective brand differentiation is critical to the success of a brand in the market. Analyzing competitors can help find gaps within target industry. This can help create a business plan for a new idea or marketable product.

CONCLUSION

The influx into the market of different brands was followed by an awareness of the need for greater economic consideration by the consuming population in their demand pattern.

Different brand differentiation strategies are being adopted by the firms and their marketers to make their various brands acceptable to the retail consumers, but more aggressive marketing devices need to be adopted by those concerned with manufacturing and marketing of this product so as to meet the ever-changing buying motives and pattern of the consumer.

The study concludes that the firm and its marketers may lead to loss of loyalty for the particular brand and eventually to complete extinction from the food market (starch).

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