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# COMPETITION IN COMMODITY TRAFFIC

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**Abstract** - This article focuses on the goal of competition is to achieve a competitive advantage, that is, to take a stronger competitive position in the market (which is manifested, as a rule, in capturing a larger market share) by offering goods of higher quality or simpler and cheaper, or due to a higher level of service. Consumers. Sometimes, in order to ensure a competitive advantage and force a competitor out of the market, price reductions for high-quality goods are practiced.

**Keywords**- Marketing Functions, Company Product, Competitiveness, Monopoly, Competition, Strategic Advantage, Strategy.

## I. INTRODUCTION

Carrying out product distribution, the firm often faces rivalry from other firms that produce and sell similar products. Each of them, as a rule, strives to take a leading position in the market, to capture the maximum possible market share. The existence of independent competitors forces the entrepreneur to treat the demands of consumers with great respect for fear that they will become customers of competitors. In marketing, competition is understood as a struggle for the consumer, the struggle for the right of a given company to most fully satisfy the demand of the consumer. Competition acts as a kind of irritant that encourages market participants to improve and update their products, improve their quality, reduce prices, and improve the system of trade and marketing services.

## II. LITERATURE REVIEW

The following scholars have considered competition in commodity traffic in their research: Ishikawa K. [1], Feigenbaum A. [2], J. Harrington [3], Juran O.N. [4], Mkhitaryan, Yu. I. [5], Ortik E., Khurshida K., Askar D. [6], Edward S. [7], Jalolovna, M.S. [8], Mamatkulova Sh. J. [9].

## III. RESEARCH METHODOLOGY

The methodological basis of the research was formed as a result of the study of theoretical and practical information, legislation and other legal documents, literary sources and publications. The research is based on the connections between theory and practice, but also made extensive use of methods such as analysis, comparison, and synthesis.

## IV. ANALYSIS AND RESULTS

Competitive struggle is manifested not only in the movement of goods, when the product is already changing its owner, but also in the field of promotion, when each company seeks to give its advertising a more sophisticated character than that of a competitor. In the methods of competitive struggle, there are two main directions:

- price, when the prices for the company's product are set lower than for a competitor's product with approximately the same properties and the same quality (for example, hidden price competition, when a company's product, which has better properties and quality than a competitor, is sold at a price the same as a competing product).
- non-pricecarried out due to the higher quality of the product or better organization of sales, trade, service, advertising, company image and other methods of product promotion.

In countries with developed market economies, price competition is giving way to non-price competition. Price wars are too destructive in terms of their macro and microeconomic consequences. However, prices continue in some cases to remain a tool for ensuring the competitiveness of goods. Selling a new product at a price close to
cost is a widespread and fairly common practice. There has also been preserved such a kind of price competition as hidden, when a new product that is superior in quality and cost to a competitor's product is sold at the price of a competing firm.

In non-price competitionAnother place belongs to benchmark marketing, where the main factor of competitive attractiveness is the quality of the product. In non-price competition, there is a connection between the quality of a product and the profit that a company receives that has managed to promote this product. The consumer, as a rule, agrees to pay more for a high-quality product that suits him in terms of its properties, but there is a certain price increase limit, beyond which the circle of buyers begins to narrow, sales tend to fall, and profit growth slows down accordingly.

One of the most important functions of marketing is the organization of competition. If the company does not fight with competitors, it is doomed to fall behind and lose. The forms of competitive struggle are diverse and depend on the prevailing conditions, time and place, but the essence of competitivestruggle - the desire to sell goods more than a competitor, to take away a part of potential customers from a competitor and, ultimately, the profit (or part of it) that the competitor was counting on remains the same. Competition is the activity of a firm aimed at acquiring competitive advantages, at gaining a strong position in the market and at ousting a competitor from the market.

Competitive position - a comparative characteristic of the main parameters of the company relative to a competitor.

American marketer A. Litel distributed competitive positions as follows: dominant, strong, favorable, reliable, weak, unviable. The instruments of competition are market segmentation, sales and sales promotion methods, flexible price regulation, service, technological economic marketing support for the competitiveness of goods.

Not only sellers, but also buyers are involved in the competition. Essentially, a competitorThe most important process is distribution, when preference is given to a reseller offering the most favorable conditions for the sale of goods. Buyers compete with each other if the object of purchase is limited and goes to the buyer offering the highest price. Such competition is observed at auctions, auctions, tenders. Competitive struggle is waged between different distribution channels for the sales market, but it is not excluded within the same channel, when the channel participants strive to get the maximum profit, despite the fact that their actions harm other channel participants. Only vertical and horizontal marketing systems turn the participants of the distribution channel from potential competitors into cooperating parties on the basis of mutual benefit.

The native American marketer M. Porter, in his matrix of driving forces of competition, considers as competitive forces not only manufacturers and traders of a competing analogue product, but also suppliers and even buyers who put forward their requirements when preparing a transaction, and also notes the competitive threat from goods- substitutes. There are specific competitive struggles - between varieties of goods, in principle, satisfying the same need, functional - between goods analogues of different firms and subject - between different brands of the same product produced by different firms.

M. Porter proposed his strategy of competition. It is reflected in the competition matrix, a model that recommends, under certain conditions, to focus on one of those strategieswhich, according to M. Porter, will allow you to defeat market rivals.

| **Strategic advantage** | |
|---|---|
| The uniqueness of the product from the point of view of the buyer | Cost advantages |
| **Differentiation** | **Cost Leadership** |
| **Segment Focus** | |

Fig. 1. M. Porter's competition matrix

A differentiation strategy is recommended when a firm has developed a unique product that outperforms competitors' products. The price can be quite high, even if it is not possible to reduce the cost. Costs are a secondary concern of the enterprise. Company(his brand) won the sympathy of a fairly large group of consumers. The cost leadership strategy dictates a different policy: all efforts of the enterprise are focused on reducing costs. The strictest economy regime is carried out. As a result, the company has the opportunity to set low prices, which provides it with a profit, while competitors who have tried to reduce prices will inevitably suffer a loss. The idea of a segment concentration strategy is to try to achieve either product leadership (differentiation) or cost leadership in your market segment.

An important point of competition is the system of providingcompetitiveness. The initial goal is to correctly determine the need for a product (volume, assortment, quality, affordable equilibrium price) and the timing of its mass production and marketing, taking into account the life cycle. In order to defend or expand its place in the market, a company must have a certain set of technological, financial, credit, marketing, trade and organizational advantages and advantages over competitors. The competitiveness of a firm is determined by its production, financial and commercial

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potential, sufficient to maintain or expand its market share in a competitive environment.

Competitiveness is a complex phenomenon, it includes in its scope both the production and sales potential of the company. The level of competitiveness depends on the presence or absence of fruitful ideas and developments, the ability to quickly implement them, the effectiveness of the marketing service, the effectiveness of product promotion methods, economic and financial potential, and, finally, its image. An important role in ensuring the competitiveness of the company is played by its intellectual and scientific potential.

One of the promising ways to increase competitiveness is the creation of science-intensive products through the growth of production innovation, the introduction of logistics methods. As well as reducing the time of production and circulation, compliance with discipline, deliveries. Various forms and methods of competition are known. Subject competition, or inter-firm (intra-industry), is conducted between firms that offer the consumer similar products designed to meet the same needs. However, these products have different quality, assortment composition and price. The struggle is carried out by increasing the level of competitiveness of the product and improving the way it is sold.

Another type of competition, functional (intersectoral), is manifested in the struggle between firms and individual industries that produce and sell goods that are different in their consumer value. In essence, this is a struggle for a place in the structure of consumer demand, for buyers' money.

Monopolies can also compete with each other (monopolistic competition). Monopoly producers of goods compete with each other for more favorable conditions for the sale of products. As a rule, the tool of this type of competition is the quality of the product and the tactics of marketing activities, organization of sales and delivery, service. A special form of subject competition is the oligopolistic competition of large producers for better, more favorable conditions for the production and sale of goods. An important role is played by the negotiation process in order to eliminate the possibility of a price war. Usually an agreement is reached on uniform prices and sales quotas. Competition manifests itself
in the form of strengthening the brand of goods, differentiation of consumer properties of goods, organization of sales and delivery, service, and others.

A civilized market requires the regulation of competition, the restriction of some of its manifestations by legislative acts, and the prohibition of unfair competition. Most market economies have a set of antitrust laws andcompetition and advertising laws. Laws against unfair competition have also been adopted in Uzbekistan. Unfair competition includes the dissemination of false and distorting information about oneself and a competitor (in particular, attributing properties in advertising to one's own product that it does not actually possess). It is forbidden to publish information that discredits the honor and dignity of a competitor, discredits his brand name, and the like, causing him commercial or moral damage. Unfair competition also includes: dumping of goods at a price below cost, if it is intended to undermine the competitor's position in the market; establishing control over the

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activities of a competitor in order to eliminate it from the market; abuse of dominant market position; collusive bidding and the creation of secret cartels; setting discriminatory prices or commercial terms; imposing any restrictions on the production and distribution of goods to customers when delivering goods. Unauthorized use of a trademark, the name of another company, imitation or copying of other people's goods (especially those made at a low quality level and sold at low prices), violation of quality, standards and delivery conditions are prosecuted by law. A manifestation of unfair competition is the receipt, use, disclosure of scientific, technical, industrial or trade information, as well as all types of commercial espionage. Unauthorized use of a trademark, the name of another company, imitation or copying of other people's goods (especially those made at a low quality level and sold at low prices), violation of quality, standards and delivery conditions are prosecuted by law. A manifestation of unfair competition is the receipt, use, disclosure of scientific, technical, industrial or trade information, as well as all types of commercial espionage. Unauthorized use of a trademark, the name of another company, imitation or copying of other people's goods (especially those made at a low quality level and sold at low prices), violation of quality, standards and delivery conditions are prosecuted by law. A manifestation of unfair competition is the receipt, use, disclosure of scientific, technical, industrial or trade information, as well as all types of commercial espionage.

## V. CONCLUSION/RECOMMENDATIONS

In conclusion, it should be said that the only market arbiter in the competitive dispute between firms and goods is the consumer, who votes for this or that company with his wallet.

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