

PRODUCT DIFFERENTIATION AS A BASIC COMPETITIVE MARKETING STRATEGY IN CRISIS

The process of product differentiation used in marketing to enhance the competitiveness of the goods on the market and is empowering products are particularly distinctive properties that are important target audience. The concept is fully integrated into the theory of marketing and for today is the most frequently used competitive strategy.

The strategy of product differentiation can allow even small companies to be successful in the competitive sectors, as it reduces the impact of high resource availability on the market share of the company [3] . Company is sufficient to identify correctly the competitive advantages of its product (based on knowledge of the company's strengths and existing opportunities in the resources); to find a group of consumers who have opted for a competitive advantage goods will be significant and set the price, which will provide the required level of profit.

Product differentiation strategy should be basic during crisis period because it can reduce direct competition, difficult to compare products with each other, allow any company to become a mini-monopoly in the segment, setting a price for the goods that will cover all the costs of its production and will provide the required return on sales. Summing up the above the higher product differentiation in the industry market, the wider consumer choice and harder literal comparison of the goods [1].

Differentiation can be done in various forms – by the technology of functionality, Customer Service, by the dealer network, product range and product design. The strategy should be aimed at creating such a product, service or goods and services within the industry would be perceived as an exclusive or unique. Ideally, the firm has to differentiate itself in several ways, since strategy presupposes a strong

competitive position that is not easily copied by competitors. Obvious examples of such a strategy are clothing boutiques, fine wine shops, beauty salons, offering a unique (for the market) technology or services.

This strategy is an effective means of achieving profits above the industry average due to customer loyalty and reduce price sensitivity of the product, which makes it possible to sell goods or services at a higher price [2].

Since the strategy of differentiation is most prevalent, it is necessary to define more precisely, how should be implemented "opposed" or "uniqueness" of the company to get exactly the long-term advantage in their industry in crisis. Often this "uniqueness" (especially when creating a new brand) is the result of a creative advertising agency, reflecting some fashion trends in the market. A striking example is the emergence of a large number of products developed using nanotechnology; at the same time remains a mystery what gave the buyer of nanotechnology. Neither the new name or new packaging are not product differentiation, differentiation - is the satisfaction of certain needs of customers that competitors can not satisfy. However, determined to use a differentiation strategy should remember one important point: product differentiation must be based on the important characteristics of the product for the consumer.

References

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