

# Competition between companies



For years many companies have struggled to be and to remain the best. To do this they had to go through advertising their products; televisions, radio, internet and sports. This is called competition; the main purpose for this is mainly to attract customers. These procedures can benefit but also be harmful towards the company. Thus brings the main concern of this essay which shall discuss both sides of this situation opposing and supporting it. Firstly, brand quality of products sometimes does not matter to consumers; just as long as it is affordable.

For instance there are many varieties of brands such as Nike, Adidas, Coca cola and so forth. Yet commercials show all these products and companies do not realize that the price of the product gets higher as the cost of advertising contributes to the products cost thus making it expensive. This leads consumers shopping elsewhere for instance, MARANELLO - Manufacturers of super sports cars have just announced a host of new models, but many of them may not reach the showrooms, as the global financial crisis hits a customer segment previously immune to economic downturns. Haupt, 2009: 1) This statement proves that consumers prefer cheaper products than fancy cars as it is too expensive. Furthermore on flexibility; Flexibility means the company's "ability to respond to changes" (Stevenson, 2007: 38). These can be seasonal changes; winter, summer or maybe economical changes. Nevertheless they also contribute to the company's competitiveness thus leads sometimes to price wars. Take for example; Adverse weather conditions could reduce the demand for our products.

The sales of our products are influenced to some extent by weather conditions in the markets in which we operate. Unusually cold or rainy weather during the summer months may have a temporary effect on the demand for our Products and contribute to lower sales, which could have an adverse effect on our results of operations for such periods. (Coca Cola company, 2009: 6) This explains that during competition companies are very flexible thus should be alert and find ways to be the best thus sometimes lowering the products cost by forty percent as to keep up with the market.

This incident shows that companies such as Coca Cola are overdoing it thus facing a major loss. Moreover on location, during competition companies look for a marketable location. From here they start off by looking at the customer's convenience; like closest to shop thus less travel expense for consumer. However they don't look at the side as when location of company is way crowded other customers will shop elsewhere due to less space to park cars and so forth. Furthermore other companies go to famous foreign countries or new location as their products are in demand over there.

Yet as foreign companies they must find ways to introduce their production thus using advertisement again. In the end either companies, will lose a lot of profit. This same case happened to Toyota according in his writing of Ford outsells GM, Toyota in February sales, J. Ewing (2010: 1) claims that while Toyota and Honda were busy competing in America, another company called Ford which is originally an American car business took over by most recently, during the summer last year 2009. Thus, leaving Toyota to report a record annual net loss of 4. billion, this misfortune of Toyota's occurred as it did not realize that it was consuming too many expenses hence; contributing

to another disadvantage for companies when they compete. However these are true yet if considering another side to this argument, these may show the disadvantages of competition, but the advantages outweighs it as competition actually promotes the brand quality, flexibility and locations. In addition to Brand quality, consumers always buy the best as they believe it is worth the expense as it last for a very long time.

Yet how do the consumer know which brand is the best; simply as companies compete they broadcast the latest shoes, bikes, food and so forth. From here consumers try and differentiate one company after another due to the quality of its product. Take for example Article base (2007) states that Honda and Toyota knows America wants fuel-efficient vehicles. This case made the two companies work hard thus producing a vehicle that gets more and more mile per gallon. It is very expensive but a lot of people are waiting in line to get this product.

This example shows that consumers go for the best brand quality no matter what. Another point is Flexibility; companies know that season changes thus consumer's demands also changes. Therefore Coca cola and Pepsi two competing companies produce besides soft drinks, water, ice tea etc. This was to resolve the problem they faced during seasonal change that their soft drinks coca cola or Pepsi sales decreased; from this solution they remarkably still continued selling and earning profit as they produced other products which will be essential during that particular season.

This is also the advantage of flexibility and competition to a company. Finally is the location, Companies compete for the best location as it ensures the flow of profits, by one; marketable areas such as America are good places to

locate business Thus most famous companies are located there for instance Toyota number one and holding fifteen percent of Americans sales. Honda, Nike and Adidas all these companies also go to a marketable location thus becoming the most famous companies in the world.

Therefore the competition expenses for good spots to place business is worth it, as it will eventually repay the companies ten times the amount of money it has spent, just like Honda and Toyota which are now leading the world car manufacturing business. In conclusion the advantages of competition between companies when marketing products seems to be much favourable than the disadvantages hence, the practice should continue or be more creative with their competition strategies as the more competitive they are the more flow of profits there will be.