

Greetings!!!

Cost Competitiveness leads to upgradation of the productivity of all the resources, resulting in optimal utilization of resources and minimization of wastages. Cost Competitiveness is required for strategic planning and decision making for sustained growth. It is a systematic method to control the excess costs incurred resulting in cost advantage. The consideration of cost competitiveness starts in the market with pricing. A competitive advantage allows a company to produce or sell goods more effectively than other organizations. Several types of strategies are available in the business environment. Flexibility is an important feature of competitive business strategies. Business owners are flexible enough to use standard strategies or develop their own strategy.

Strategies for Staying Cost Competitive:

❖ Knowing the competition:

Firstly it is required to find out the competitors, what they are offering and their unique selling point (USP). This will identify the areas required to compete in, as well as gives a platform for differentiating from the rival organizations.

❖ Knowing the customers:

Customer expectations can change dramatically when economic conditions are unstable. Sales and marketing strategies are required to be revised on time to time based on their expectations.

❖ Differentiation Strategy:

Business owners use competitive business strategies to differentiate their goods or services from others in the industry. Differentiation may be actual or perceived. Companies typically use advertising messages that describe a product similar to those in the market with a few subtle differences. This strategy encourages consumers to differentiate the product in their minds.

❖ Price Strategy:

Many organizations develop pricing strategies to maintain a competitive advantage. These include penetration, economy, skimming, bundle and promotional strategies. Promotional pricing strategies may allow businesses to offer additional benefits to consumers, such as a buy-one-get-one-free business strategy.

❖ Step up marketing approach:

More effort is required to make people aware about the organization, its product or services and its

speciality. It doesn't have to be expensive; marketing can range from posters in window and leaflet drops through advertising campaigns in local media.

❖ Looking after existing customers:

Existing customers are competitors' target market. So better customer service is required to be provided by being more responsive to their needs and expectations. If feasible, offering low-cost extras such as improved credit terms, discounts or loyalty schemes are needed to be considered.

❖ Target new markets:

Selling into a greater number of markets can increase customer base. Further, online marketing nowadays is creating huge impact on customers and even narrowing the bridge to reach the overseas customers. It saves time, paper work and even it is an inexpensive way of marketing.

❖ Motivation for employees:

Employees are often more impressed by a good and healthy working environment and benefits such as flexible working and structured career development.

❖ Future Forecasting:

Proper planning and forecasting is a must to stay competitive in the market. A business that does not use forecasting techniques will likely succumb to their competition in a short period of time. This would assist a company to prepare in meeting customer demands.

Market globalization generates a new business environment where the management faces several strategic confrontations in the open economy. Moreover, customers are more fastidious, they insist upon low costs/prices, quality, time and innovations. Thus quest for sustainability has already started to transform the competitive background, which will compel the companies to change the way they think about products, technologies, processes and business models. The key to progress, particularly in times of economic crisis, is innovation.

This issue presents a good number of articles on the cover story theme 'Cost Competitiveness – Complexities to Confidence' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.