

# PROSPECTS OF COMPETITION THROUGH QUANTITY AND COMPETITION THROUGH QUALITY

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## Abstract

Classical competition patterns can no longer explain what is happening on the market in terms of competition. If standard models can be used to understand microeconomic, macroeconomic and globally international market, without significant barriers, is required a new approach and understanding of what is actually happening. The real issue is not the present, because we can not change much now, but it is very important to understand future developments and make accurate predictions to understand supply and demand developments in order to prevent major economic crises.

This paper analyzes the current, quantitative and qualitative competition situation at a macroeconomic level. In this sense, a series of solutions are sought to meet the demands of future economic developments.

**Keywords:** *competition, crisis, evolution, quality, forecasts.*

**JEL classification:** *A11, M31.*

## 1. Introduction

In the current market economy it is considered that all economic activities are carried out under competitive conditions, and economic agents, state or private-owned or joint-stock companies must face the market competitors. Competition is considered as a “regulator” of the market mechanism, the “engine” of economic development, which sets in motion the whole system of links between economic agents and conveys them to the requirements of objective economic laws (1). Competition is a reflection of the free initiative of economic agents, their freedom of action in a normal market, free of artificial barriers. This evidences the dynamic ratio of forces between the participants in the stock-purchase acts. Competition is the confrontation, the economic rivalry between economic agents to attract customers through convenient prices, the quality of goods or services to obtain the maximum profit (2). This competition is manifested between producers, traders, service providers, banks, insurers and intermediaries - individual and legal entity.

The specialized literature focuses on the study of all aspects of competition, the methods of measuring the size and economic power of competition, but not the intrinsic aspects of competition, and in particular how to eliminate or reduce the impact of competition activities distinctly on the two sides, quantity and quality. The papers studied approach competition as a whole, which I consider to be a gap in research in this field. The objective of this research is to determine the perspectives and strategies related to the existence of a large, fierce, strong competition, to which a firm on the market must resist, develop and diminish the impact of competition activities.

## 2. Research methodology used

The research for this work began with the study of specialized papers published in volumes or magazine articles, systematization of information and then centralization of the most important information necessary for this study. The methodology used consisted of a systematic, oriented and coherent study of the principles governing marketing research and investigation. The method of research used is that of “transfer of concepts”, consisting in taking over from the scientific papers those important definitions, methods, concepts and tools for study and then transferring them in the field of research of the competition types.

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### 3. Study and analysis of “classic” competition

Classical competition, as defined for a long time, was considered a “direct, open and loyal confrontation between firms as sellers of products or service providers” (1). But in recent years, new forms of unfair competition, illegal competition, masquerade competition, quantity competition and quality competition have emerged. These new forms of competition have changed the business world, which has become much more dynamic, more unpredictable, and with considerable negative effects for companies that have not adapted in time. By the effect of competition, the “vendors” economic agents learn through a continuous process of “bugs and errors” to improve their situation. Freedom of choice, which is in the form of the tendency of each person to receive money for himself, is regarded as a basis for competition (2). Competition is considered to be a “struggle” between economic agents, which is carried out through specific economic and extra-economic modalities (Table 1).

**Table no. 1. Specific ways of fighting between competitors**

Aspects concerned	Content	Economic effects
<i>A. Economic aspects</i>	-Reducing sales prices by reducing production costs.	-Growing sales. -Increase production.
	-Increasing the quality of products or services.	-Attract new customers. -Developing your business. -Entering new outlets.
	-Launching new products.	-Extending business.
	-Organizing effective sales services.	-Meeting customer requirements. -Removal of complaints.
	-Advertising and publicity.	- The general public will know the company.
	-Organizing after-sales services.	-Getting information about your own products. -Recording of defect notifications. -Rapid and quality resolution of customer notifications.
<i>B. Extra-economic aspects.</i>	-Theft of information.	-Criminal, illegal and immoral aspect, but can help the firm solve certain problems based on the information obtained.
	-Spreading false information about competitors.	-Unethical appearance, designed to undermine competition products or services.
	-Buying employees' competitors and hiring them at their own company.	-Theft of intelligence or specialized employees is an immoral aspect, made with the aim of completing the scheme of staff and using trained specialists.
	-Get government benefits to the detriment of others through corruption, blackmail and bribery.	-Fake auctions, grant funds, in order to obtain profits.
	-Destructive actions against competitors.	-Seeking to eliminate competitors by messages with false, truncated information.
	-Removal of competitors from market competition.	-Use of any means and ways, illegal or lawful, to eliminate competitors from the market and gain monopoly.

Source: Author's study, (3).

But competition raises a series of effects on economic activities (Table 2).

**Table no. 2. Effects of competition on the economy**

Positive effects	Negative effects
-Stimulate the promotion and introduction of technical progress (digital era), to improve production processes, to introduce modern techniques and technologies. -Improves production costs and sales prices, stimulates demand for the products or services in question, so the possibility of increasing production and obtaining higher profits. -Stimulates the improvement of the quality of products and services, which is an important element of competition between economic agents, with a particular role in imposing products on the market and attracting buyers. -It determines the renewal of production, increased interest in research and spending on innovation and R &	-Stimulate greed and search for illegal solutions to penetrate new markets. -Practices the theft of clients and the theft of information from competitors. -Introducing new low-quality products on the market with almost the same characteristics as competing products but at lower prices. -Use of a false marketing that deceives customers. -Practice concealing defects or product deficiencies. -The use of double standards, consolidated markets, restrictive legislation and effective control institutions bring high-quality products, and in poorly regulated markets or inefficient corrupt control organs, offer lower

Positive effects	Negative effects
D activities. -Requires changes in management. -Asks for marketing finding new outlets, new customer target groups, and finding "niche" customers.	products at the same prices as quality products higher. -Use a shelf price, at the product presentation and one more price at the cashier, but and other methods of cheating customers.
<b>-Competition differentiates economic agents</b>	
-Those who are victorious in the struggle of competition develop, accumulate riches.	-The least able, losing, poor, bankrupt.
<b>-Legal regulations and rules</b>	
<b>- Permissive:</b> -National competition rules, harmonized with Community rules, may have the beneficial effect of increasing fair market conditions for all economic actors. -The markets are more open to competition, the more beneficial the effects on competitiveness are more visible.	<b>- Restrictive:</b> -They have a negative impact on competitiveness, they are slowing down the process of technological modernization. -Lack of consistency in the application of competition law.

Source: Author's study, (3), (4).

Competitor is an individual and legal entity authorized to conduct an activity that competes with one another or another to achieve the same business objectives. There are several classifications of competition, among which one can distinguish between fair and unfair competition (Table 3). Another classification of competition is that which distinguishes between direct, indirect and potential competition (Table 4). Any kind of competitor would have his own company, he can enter into one of these categories. In the case of direct competitors, "battle" is more obvious. In the case of indirect competitors, more attention should be paid, as "war" goes on satisfying the same needs with the help of different products.

**Table no. 3. Differences between fair and unfair competition**

Type of competition	Characteristics	Remarks
<b>1. Fair competition</b>	-Comply with legal regulations. -Use correct working tools. -Promotional campaigns focus on their own products or services without making any appraisal of competition.	-Some companies make mutual arrangements to respect each other. -There are different forms of collaboration between competing firms.
<b>2. Unfair competition</b>	-Represents any fact or act contrary to honest practices in commercial activity. -Any means, whether legal or illegal, are used to eliminate competing firms on the market. -Promotional campaigns highlight the shortcomings, flaws or problems of competition products or services.	-Treaties and international conventions have been concluded against this type of competition. -National legislation has been adapted to eliminate this type of competition.

Source: Author's study, (3), (5).

**Table no. 4. Differences between direct, indirect and potential competition**

Type of competition	Features:		Remarks
	Own company	Competitors	
<b>1. Direct competition</b>	-Launches products or services. -Use your own name. -Prices are comparable, close.	-Provides similar products and services. -Launches nearby products and services at lower, very close or larger prices. -Use a proper name near or slightly modified (change only one letter, number or symbol). -Offers larger or smaller quantities of products or services on the market.	-Primary competitors (strongest). -Secondary competitors (who do not exert great pressure on the firm's business).
<b>2. Indirect competition</b>	-Has a portfolio of products and services.	-On the same market offers products and services that can easily be substituted for those of their own.	-It is strengthened on the market and does not seek to take over new segments.
<b>3. Potential competition</b>	-They have to make a list of their potential competitors, to keep track of their situation.	-There are companies that have not yet been set up, but there is information that they will appear in a specific field of activity within a foreseeable timeframe, due to the emergence of favorable market conditions. -There are firms that are currently on the market with areas of activity that are not currently considered to be similar to their own, but which is possible in the foreseeable future to reorient.	-It is predictable when the economy is on the rise, when new investments are made that require products and services nearby.

Source: Author's study, (5), (6).

Regarding potential competition, the situation is delicate, because the company's management needs to be aware of the changes taking place within the company's business environment and to anticipate, on the one hand, the emergence of new firms, which currently do not exist, and on the other hand, a lot of attention is needed on the movements of some companies, which are currently active in other areas of activity.

#### 4. The tools for research and analysis of the quantitative and qualitative competition

A competitive market research offers trade fairs the opportunity to accurately identify direct and indirect competitors in the market in order to be able to determine their advantages or disadvantages to them. In essence, the competition analysis is a market research that has as main purpose the preparation of a company's commercial and marketing strategy. The main objective is to identify competitors (who are they?), then identify their strengths and weaknesses in order to be able to organize their activities, in order to gain competitive advantage and to differentiate themselves in the market. The tools that can be used to analyze market competition are benchmarking, quantitative market research, qualitative market research, marketing analysis, customer satisfaction research, documentary and statistical market research (7). For the purpose of this paper only the essential tools of market research, quantitative and qualitative competition are required.

**A. Quantitative market research.** This results in statistical, percentage or numerical data, which are measurable by the modern instruments of economic statistics (5). This research is used to obtain accurate data from large samples of individuals or firms. Through quantitative market research, ratings and hierarchies can be obtained, and this is behavior-oriented, notoriety research, customer satisfaction research, profile analysis, competition assessment, etc. This type of research is based on large samples and can be done on extensive geographical areas: local, regional, national and international. The tools used for this type of research are the telephone questionnaire (CATI study), the face-to-face questionnaire, the online survey (CAWI study), the market and panel survey (14). In table no. 5 are presented these tools used in quantitative market research, the definition and the differences between these instruments.

**Table no. 5. Instruments used in quantitative market research**

Important Elements	Research Tools
	<b>1. The study "CATI" (Computer Assisted Telephone Interviewing)</b>
Tool definition	The research method is used to find out what the target audience is about the company's products or services.
Research objectives	This study is recommended when the availability of respondents is low and the venue does not coincide with the one in which market research is conducted.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Advantages of research	- Increased accessibility. - The response rate is high. - Rapid collection of data. - Efficient control of sample representativeness. - Relatively low costs.
<b>2. The "face-to-face" interview</b>	
Tool definition	The "face-to-face" interview is the most used tool for any type of market research. Personal communication makes it possible to get more information, but also to use visual materials to encourage answers.
Research objectives	The "face-to-face" interview interacts directly with the target audience to identify its expectations and opinions.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, FMCG, Horeca, tourism, IT & C, etc. The research is conducted at the sales points, at the company headquarters, at home, on the street.
Advantages of research	This research method is recommended if the target audience can be easily accessed and accessible from the point of view of accessibility.
<b>3. The study "CAWI" (Computer Assisted Web Interviewing)</b>	
Tool definition	This study is an online method to conduct a market survey.
Research	Studies can be used by businesses to measure customer satisfaction and engagement. These allow

Important Elements	Research Tools
	1. The study “CATI” (Computer Assisted Telephone Interviewing)
objectives	for periodic surveys to track key business indicators.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Advantages of research	This kind of market research is accessible and facilitated by the technologies of designing the questionnaire, having the following advantages: - the large size of the sample, - low costs, - convenience for the respondent, - the speed of research, - ease of retrieval and processing of data.
4. Market survey	
Tool definition	The market survey is one of the basic methods used in market research to obtain information about a product or service.
Research objectives	"Survey" market research is effective in obtaining precise information that refers to a particular target audience, starting with a simple sample survey.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Stages of a market survey	These are the following: - sampling, drawing up the questionnaire, applying the questionnaire, - centralizing and analyzing data.
Advantages of research	The essential condition for the market survey to be reliable is that the sample consulted is representative of the target audience studied.
5. The Panel	
Tool definition	The panel allows the measurement of market evolution, behavior of consumers, products or competitors over a long period of time.
Research objectives	The panel is distinguished from a point-by-point study that provides a picture of the market at a time or of a periodic survey that does not allow for the timing of individual behavior trends.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Types of panels	They are classified as follows: - consumer panel, - panel distributors, - mixed panel.
Advantages of research	The advantage of a panel is the speed of obtaining the desired information and the reliability of the results.

Source: Author's South, (6), (7), (16), (17).

**B. Qualitative market research.** Qualitative market research allows precise information to be obtained, giving particular attention to each individual undergoing research. The objectives of the qualitative market research are oriented towards the definition and validation of the working hypotheses, the knowledge of the opinions regarding the products and services of the firms, the determination of the expectations of the clients of the company, the identification of the ideas for new projects or the testing of the projects in progress (8), (9). Qualitative market research generates the most effective results when complemented with quantitative research. The target of qualitative market research is limited samples but can be achieved in all geographic areas that correspond to a market research. The tools used in qualitative market research are concentration on group (Focus group) or group discussion; “face-to-face” interview (which was presented in table 5) and personalized phone interview. In table no. 6 are presented two types of instruments used in qualitative market research.

**Table no. 6. Tools used in qualitative market research**

Important Elements	Research Tools
	1.Focus-group (Group discussion)
Tool definition	A group discussion allows an expert to know the expectations and needs of a target audience of a business. The “Focus-group” method is generally used in qualitative research and can also complement quantitative research.
Research objectives	With the help of a “Focus group”, we aim to achieve precise qualitative results and bring depth to market research.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Stages of	- Recruitment based on a questionnaire, according to the research objectives.

Important Elements	Research Tools
	1.Focus-group (Group discussion)
research	- Making the interview guide as the main tool within a "Focus-group". - Moderation, which contributes to the full success of a "Focus-group".
Advantages of research	- Immediate determination of public requirements. - Obtaining accurate, direct information from the source.
<b>2. Personalized telephone interview</b>	
Tool definition	It is a modern, easy-to-use tool for marketing research aimed at focusing on the subject and quickly obtaining information.
Research objectives	- Rapid quality and opportune information for the business in the research pursued.
Target and research sectors	- Targets: Target B2B; Target B2C; Target B2B2C. - Services, industry, banks, pharmacies, tourism, IT and communications, etc.
Stages of research	A. Preparation of research: - Prepare the list of phone numbers. - Establish a priority or alphabetical order. - Prepare the questionnaire list (questionnaire). - Setting the time for the interview. Usually a very short time must be followed, not to bore the interviewee. B. The conduct of research, which involves the following activities: - Calling the established numbers, presenting the name of the interviewer and the names of the company (firm) he represents. - Obtaining the interview agreement, specifying the confidential nature of the research and the need for the respondent's informed consent to participate in the research. - Short description of the purpose of the research. - Argumentation of the need for the respondent to participate in the research. - There are no questions that may lead to unwanted responses. - Using questions to impose standardized responses to ease the centralization of responses. C. Centralization of data and information. D. Analysis and synthesis of the obtained results. E. Making a marketing or management decision.
Advantages of research	- The low cost of research. - A large number of interviews with low resources can be achieved.

Source: Author's South, (8), (9), (11), (15).

A number of specialists believe that the main characteristic of qualitative research is based on interpretation (5), (8). But this means that in a qualitative research, objectivity, in the absolute sense of the word, can not be achieved, because the person or specialist conducting the research guides the interpretation process. Thus, qualitative research is meaningful. Unlike quantitative research, which is based on large samples of people, representative of larger groups, qualitative research does not seek generic information about groups but seeks to reach deeper information levels related to specific subjects. This “does not isolate the whole, focusing on only a few more important variables, but always presupposes a holistic approach” (8). Qualitative research becomes important ethnography issues. This analyzes the relationship between culture and behavior, through interviews and consumer sessions, in the natural context of the acquisition and use of a product or service. This methodology offers ample perspectives and an ability to gain an intuitive, accurate and profound understanding of a person, a thing or a situation (usually marketing) that is related to visions, actions of consumers, and the place where they is.

### **5. Study on prospects and strategies against quantity competition and quality competition**

In order to understand the prospects for the two types of competition, I believe that it is necessary to know them precisely, the main elements that define and differentiate them, the competition perspectives and the strategies that companies have to follow in order to compete regardless of its type.

**A. Competition by quantity.** This occurs when a manufacturer is launching a huge product offer on the market, reaching all areas of a country in all outlets that are found on all shelves in stores, warehouses, and more. Similar are a range of services, extended over a certain geographic, local, regional or national area. Products can be from food, non-food, cars,

phones, computers, TVs, etc. Services can be in the banking, transport, logistics, consulting, wholesale and retail trade, hotels, pensions, restaurants, bars, gambling, car repair, telephone and electronic repairs, etc. The strategy of such a manufacturer (service provider), usually a very large multinational company, is to be present on all markets and to bring its products to all customers before other products. By quantity (or number of units) the company is found in all places, in all shops or areas inhabited by the population. In table no. 7 is presented the simplified situation of the markets or places in which the quantitative competition is manifested or encountered. When the first customers of the sales units, irrespective of their type, buy the same products of the different producers, there will be and will be found on the shelf for the next customers only the products of the manufacturer offering the largest quantity on the market. These products will cover the gaps in the market. More specifically, by the amount of products greater than that of the competitors, they will not allow stock breaks to occur on the shelf, in the warehouse or in any other location, so that customers can at any time find a product or product sought.

**Table no. 7. Market of competition by quantity**

Domain	Components of the movement of goods and distribution of services	Classification of distributors
<b>1. Production and sales</b>	- Deposits: national, regional, zonal, county, city, district.	- Own distributors, business partners or customers, legal persons. <b>(Primary Distributors)</b>
	- Very large stores (malls), large specialized stores, small supermarket shops, general stores.	
	- Sales by phone, email, social networking, electronic search engines, robots and artificial intelligence.	- Distributors of legal persons. <b>(Primary and Secondary Distributors)</b>
	- Internet shops. On-line sales from which customers buy directly.	
	- Individual agents or representatives, from whom customers buy directly.	- Distributors of legal or physical persons. <b>(Primary and Secondary Distributors)</b>
	- Local markets, fairs, fields.	- Distributors of small businesses, families or individuals. <b>(Secondary and Tertiary Distributors)</b>
	- Individual sellers, street vendors, or little publicity. Transactions are conducted directly, without intermediaries.	- Distributors individuals. <b>(Tertiary Distributors)</b>
<b>2. Services</b>	- The distribution of banking and financial services has a different specification from that of other types of services. There is a widespread distribution, up to neighborhood affiliates in major cities or subsidiaries in communes and villages.	- Distributors, legal persons. <b>(Primary Distributors)</b>
	- Other types of services have disproportionate distributions, depending on type, features, target audience, and pricing.	- Distributors of small businesses, families or individuals. <b>(Secondary and Tertiary Distributors)</b>
<b>3. Transport and Logistics</b>	- International, national, regional, regional and local transport companies. - Logistics centers have a territorial spread depending on the convergence points between modes of transport, manufacturers and traders.	- Distributors of legal or physical persons. <b>(Primary and Secondary Distributors)</b>

Source: author study, (10).

Advantages of knowing and practicing “competition by quantity” are: a large number of products, a wide range of products, different prices, different prices for larger quantities (usually prices decrease with the increase of the purchased quantity), bonuses for the large quantities purchased, the possibility of negotiate large quantities, transport, taxes and related services incurred by the manufacturer. The disadvantages are given by the large quantity produced, which generates high costs, a large number of similar products, close or different, at different prices, requiring adequate management, integrated logistics, flexible and adaptable management.

**B. Competition through quality.** In a market where more competitors appear, who present the same type of products or services, with the same prices or very close prices, the

difference will make some aspects of the quality of the products or the way the services are delivered. In this situation we are talking about a qualitative competition, which appears between the offers of the producers or the suppliers. Some authors also speak of "fiscal" competition, which has certain market influences (13). Producers often copy the products of others, the differences being given by labels or their own names, but in terms of content or manufacturing mode, there are no real differences. However, qualitative competition, called the brand name, is of great importance, and often loyal customers prefer to buy their favorite products, which may be more expensive than others on the market. They often prefer not to buy other products and wait for the desired shelf to arrive. In table no. 8 the characteristics of competition through quality are presented.

**Table no. 8. The characteristics of competition through quality**

Methods of measuring the quality	Elements of the quality of goods and services	Remarks
<b>1. Measurement of product quality characteristics.</b>	<ul style="list-style-type: none"> <li>- The quality characteristic of a product, service, process or system is its intrinsic distinctive feature relating to a requirement.</li> <li>- Measuring a quality feature is to obtain the numerical value by which the absolute value of that characteristic is expressed in certain units of measurement.</li> </ul>	The product quality features can be: <ul style="list-style-type: none"> <li>- technical and economic,</li> <li>- social and availability,</li> <li>- psychosensory,</li> <li>- ergonomic and behavioral.</li> </ul>
<b>2. Determination of indicators, indices or quality coefficients.</b>	<ul style="list-style-type: none"> <li>- Represents the quantitative expressions of the characteristics of the indicators.</li> <li>- Describes the extent to which a particular product, during use, meets the conditions of its intended use.</li> <li>- The product quality indicators system consists of two groups:               <ul style="list-style-type: none"> <li>- indicators for performance appraisal quality,</li> <li>- indicators for assessing lack of quality.</li> </ul> </li> </ul>	The quality level can be expressed as: <ul style="list-style-type: none"> <li>- Quality rating:               <ul style="list-style-type: none"> <li>- exceptional,</li> <li>- appropriate level,</li> <li>- low level.</li> </ul> </li> <li>- Quality indicator, index or coefficient.</li> </ul>

Source: Author's study, (5), (6).

In the table no. 9 is presented the competition market through quality.

**Table no. 9. The competition market through quality**

Classification of competing companies	Recognition of quality
- Very large multinational, international companies in the field of production, extraction of raw materials, trade, services and transport.	- Names that are recognized and imposed internationally and nationally. <i>(Brand well known)</i>
- Medium-sized national, regional, regional and local companies.	- Nationally recognized names. <i>(Brand known or relatively well known)</i>
- Regional, county and local small companies.	- Names recognized locally and locally. <i>(Little known companies)</i>
- Individuals, family associations, micro-local firms.	- Names known only locally. <i>(No Brand)</i>

Source: author study, (5), (10).

The advantages of quality competition are:

- Name, which is a guarantee of quality.
- High-quality, expensive or very expensive luxury goods that are associated with the brand and as a premium brand.

Disadvantages are related to high production, transport and sales costs. The more expensive a product, the more it requires special security, shelter, storage, presentation and sales conditions. In view of the above, companies on a competitive market of both kinds must look for solutions to meet the demands of future economic developments, customer requirements and increasingly restrictive legislation in all areas of economic activity. Firms in a fierce competition on the market need to track, study, analyze and then include in the strategic management and marketing plans, in the annual activity plans, to the smallest details, all the information and data about competitors. From the studies conducted on the national market and comparing with the situation in the neighboring countries and the European Union, a number of trends have been observed:



- Use large quantities of products to stay on the market. This eliminates the possibility of breaking stocks from "en-gross" deposits and from "en-details" stores.

- The "big factories" countries like Germany and Turkey, Europe or China in Asia have invested and continue to invest in the production of consumer goods that they send to all markets in the world.

- National markets in Europe are dominated by products in these countries, so a local producer faces competition that comes at very low prices and very large quantities of products because they have low raw material, energy, technology and strength for work.

- The use of product ranges, with regular changes in presentation, packaging and pricing, so that their name (brand) remains on the market.

- Shrinkage or disruption of the product lifecycle, removal from the market, even when demand for these products increases. This method is used to replace the known and required product with a seemingly new one, but with a higher price. If the demand for such a product is low, firms are bringing to the attention of customers that withdrawn product from the market, with the previous price or a lower price than the last product launched on the market.

### **Conclusions**

The real problem of a company in production, sales, transport or services is to meet all the challenges of its present, even if it can not be changed too soon. It is very important to understand future developments in demand, supply, price and competition. Neglecting competition is the most risky and tough situation.

Competition removes from the market any kind of company that makes marketing mistakes. For all this, accurate forecasts must be made to understand market developments, competitors' evolutions, to prevent crises inside the firm and to meet major economic crises with the right measures. No one can accurately estimate economic developments, especially at the microeconomic level, most economic agents go from inertia, do not have plans to combat competition and, above all, unfair ones.

If the company does not consider competition, it does not follow it carefully, it does not mean that competing firms do the same. Even if some companies, in their struggle on the market, use the same methods as those of competition, the key to business success can not be beyond the correct forecasts, permanently updated marketing plans, combating competition by quantity, and ultimately making competition by quality, i.e. imposing a "brand name" on the market.

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