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Essence and classification of the agribusiness organizations competitive strategies

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Abstract. This article describes the main types of agro-industrial organizations competitive strategies. Competitive strategists now are the most important component, it is impossible to imagine modern market relations without it. No organization can achieve superiority over its competitors. To get closer to this goal, it is necessary to correctly set priorities and develop a special strategy, show the strengths of the organization's activities, increase its intensity of activity and strengthen its competitive position in the market. A special place has the competitive advantage achieved by the organization, which is characterized by a special advantageous position among competitors in the competitive struggle and an individual approach to attracting consumers. The key to the successful functioning of any organization is built on these characteristics.

1. Introduction
Competition determines whether the company will become successful or it will collapse. Competition will show whether the implementation of the chosen strategy, innovation and the overall corporate culture contribute to efficiency [1].

Competitive strategy is expressed in the company's desire to take a competitive position in the industrial market, on the main arena where competitors are fighting. Competitive strategy is necessary in order to achieve a stable and advantageous position that will allow the company to resist the pressure of competitive forces that determine the competitive struggle in the industry [2].

2. Essence and classification of competitive strategies of organizations
Competitive strategy is a generalized model of actions and a set of rules that should guide the company in making decisions to achieve and maintain competitiveness for the long term. The choice of competitive strategy is due to two main points. First, the attractiveness of the industry in long-term profitability, as well as the factors that determines it.

Not all industries have equal opportunities in order to remain profitable for a long time, so the intrinsic inherent industry profitability is also an essential component of the individual company profitability. The second central point is the choice of strategy; it is the factors that determine the relative competitive position of the firm within the industry. In most industries, some companies can be much more profitable than others, regardless of what the average profitability in the industry as a whole [3].

The choice of competitive strategy depends on these two points. The company's profit directly depends on the chosen competitive position, otherwise even its profitability in an attractive industry will not help. Also, and vice versa, if a business is completely unprofitable, then the exceptional position of the campaign no longer matters and all measures to strengthen this position may be unsuccessful and unjustified. Both points determine the choice of competition strategy. It is dynamic in nature: over time, the attractiveness of the industry and the profitability of the organization may change, non-profitable companies and industries become profitable and vice versa. The same applies to the competitive position of the company - it changes, reflecting the ongoing struggle of competitors. A sudden competitive move by one of the market participants may in a moment destabilize the market. The activity of a particular company affects both the profitability of the industry as a whole and its competitive position [4].

Thus, the choice of a competitive strategy is at the same time a difficult but no less interesting problem. Despite the fact that the profitability of the industry to some extent depends on factors that have little effect on the company, however, the company's chosen strategy can significantly affect the attractiveness of the industry, changing it in one direction or in the other direction. At the same time, by choosing one or another competitive strategy, a company can thereby strengthen or undermine its position on the contrary. The choice of competitive strategy is not only determined by the conditions of the industry, but also is itself an attempt to influence these conditions.

3. Competitive advantages and factors of company profitability

Competitive advantages essentially arise from the value that the company is able to create for its customers and which exceeds the costs of its creation. Cost is something that buyers are willing to pay: the high cost is due either to a lower price level compared to the price of competitors for a similar product, or to the provision of unique benefits justifying a higher price. There are two main types of competitive advantages: cost leadership and differentiation of diversified firms. If a company manages to create relationships with business units competing in related industries, this strengthens its competitive advantages in the industry in which it operates. The interconnections between business units for diversified firms are the main factors in the creation of use value and thus lay the foundations of the strategy itself.

The first fundamental factor in the company's profitability is the attractiveness of the industry. Competitive strategy should be developed based on a comprehensive understanding of competitive selection rules, which determine the attractiveness or profitability of a particular type of business. The ultimate goal of a competitive strategy is to master these rules and, ideally, to be able to change them in the interests of the company. In any industry, whether it is a national or international industry, the production of goods or services, the rules of competition consist of five driving competitive forces: entering new competitors on the market, the threat from substitutes, buyers 'market power, suppliers' market power, market competitors. The combined effect of these five forces determines the company's ability to earn an average return on invested capital in excess of the capital cost [5].

The total power of these five forces varies depending on the type of industry and may change as it develops. As a result, the different types of industries far o are not the same in terms of the profitability potential level. If in some industry, the action of competitive forces favors companies operating in the market (as it happens, for example, in the production of medicines, soft drinks, and database creation), the majority of competing companies receive high profits. However, in those industries where one of the forces acts too intensively (for example, this situation takes place in the production of rubber, steel, and computer games), few firms can count on high profits, despite all the efforts of management. The profitability of the industry does not depend on the appearance of the product, on whether the latest technologies are used in its production; - the profitability of the industry is determined solely by its structure. Some quite "modest" industries, such as the production of postal scales or grain trading, are highly profitable, while some of the more "luxurious" high-tech areas, such as personal computer production or cable television, are far from the most profitable.

Often a company goes to one or another course in the implementation of the strategy of competitive struggle, but they don't know what consequences this move can have in the long term for the entire structure of the industry. If the move was successful, and the company took a more favourable position in the industry, the company's management is unlikely to be interested in the consequences of response moves from competitors. But if a similar move from the main competitors will have a devastating impact on the industry structure, everyone will have problems. Such "destroyers" of the industry are most often companies of the second rank, seeking to find ways to take more advantageous positions in the competition. Such companies usually experience serious difficulties, which pushes them to a desperate search for a way out; Competitors who become poorly aware of their own pricing policies or make plans for the future that are far from reality can become "destroyers" of the industry structure.

In addition to the basic strategy, which defines combinations of various strategic areas of an organization, competitive strategies determine the approaches by which an organization should act in each such area. In the literature, competitive strategy is sometimes called a business strategy, a business strategy.

4. Competitive strategies of the organization

The main types of organizations competitive strategies are:

- Reducing strategy of the production cost.
- Product differentiation strategy.
- Market Segmentation Strategy.
- Innovation strategy.
- Strategy for immediate response to market needs.

The reducing strategy of the production cost. The impetus for using the strategy of reducing the production cost is a significant saving on the scale of production and attracting a large number of consumers for whom price is the determining factor when buying. The strategy is to focus on mass production of standard products, which is usually more efficient and requires lower unit costs than making small batches of heterogeneous products. In this case, saving variable costs is achieved due to the high specialization of production. Constant costs per unit of production, decreasing with the growth of production volumes, create an additional reserve for cheaper products. An enterprise that adheres to a cost-cutting strategy is focused on making inexpensive, but high-quality, mass-consumption products. The desire to be a leader in achieving the lowest cost in the industry requires optimal in terms of costs, the size of production and sales of products, capture large market share, application of resource-saving technologies, implementation of clear control over overhead costs and other types of fixed costs.

Product differentiation strategy. The product differentiation strategy is based on specialization in the manufacture of special products, which is a modification of the standard product. Such products are indispensable for consumers in the event that standard products do not suit them. Product isolation on the market, and in a broader sense - differentiation of its commercial characteristics, can be carried out by creating products with more advanced than standard products, technical parameters, quality of performance, based on ensuring a wider choice of services in the sale and operation of products, the basis of the low prices attractiveness. Thus, the main idea of differentiation is to focus on products that are in limited demand, which makes it possible to avoid price competition with more powerful enterprises and at the same time makes it possible to compete with them for specific groups of consumers. Often the most attractive way to differentiate products is to use techniques that are least similar to those of their competitors. It makes you look for new, original ways of isolating your products and brings variety to the market. Imitation is a destructive way in the implementation of this strategy [6].

Market segmentation strategy. A market segmentation strategy is aimed at providing advantages over competitors in a separate and often the only market segment, distinguished on the basis of geographical, psychographic, behavioural, or demographic principles. The main idea of the strategy is that an enterprise can serve its narrow target market more efficiently than competitors who disperse their resources throughout the market. As a result, an advantage over competitors is created either by differentiation of goods based on better satisfaction of the needs of the target market, or by achieving lower costs in servicing the selected segment. Therefore, without pursuing the goal of providing leadership in reducing the cost and (or) product differentiation in the entire market, the company, based on market trends, achieves these results in the target segment. Having a low production cost or offering a large selection of products for a specific, for example, geographically separate segment, the company protects itself from opposition from enterprises using other competition strategies. Business practice shows that the strategy of segmentation is mainly used by enterprises that produce differentiated products. Attempts to serve the entire market for such enterprises often cause large costs for the promotion of goods. The strategy of targeting a certain segment(s) of the market can lead to high profits if the products fully meet the requirements and desires of consumers in the selected segment. At the same time, the high costs incurred by the enterprise in the production of differentiated products for a certain market segment can be reimbursed due to savings in promoting goods to the market and their high attractiveness to serve customers.

Innovation strategy. The strategy of introducing innovations: the modern world experience of competition irrefutably proves that the absolute majority of the monopolies that have been formed lately arose on the basis of discoveries, inventions and other innovations that made it possible to create a new, previously unknown market with broad opportunities and the prospect of accelerated growth. Modern leaders in the automotive, aviation, electrical and electronics industries have emerged from small "pioneer" firms. The last decades have confirmed this pattern in the production of computer equipment, software development, and the creation of special types of weapons. And, despite the fact that the largest volumes of scientific research are conducted at large enterprises, most of the known modern discoveries are the result of the activities of small and, as a rule, unknown firms. Enterprises that adhere to the innovation strategy do not bind themselves with the need to reduce the cost of products, differentiate them or develop a specific market segment, but concentrate their efforts on finding fundamentally new, efficient technologies, designing the necessary, but still unknown types of products, production organization methods, methods of sales promotion o, etc. The main goal is to outrun the competitors and single-handedly occupy a market niche where there is no competition or void oh small. For obvious reasons, such a revolutionization of the market is a source of large sales and super-profits, however, in most cases (80 out of 100) it ends in bankruptcy due to the market’s unwillingness to accept innovations, technical or technological deficiencies in the brand of the new product, employment of distribution channels, lack of experience in replicating the innovation and other reasons.

Strategy for immediate response to market needs. The strategy of immediate response to the needs of the market: the presence of effective demand for a specific type of product only in theory automatically creates its offer. In practice, most enterprises are not able to engage in activities that do not correspond to their profile. In contrast to such enterprises, firms that implement an immediate response strategy to market needs are aimed at meeting the emerging needs in various business areas as quickly as possible. The basic principle of behavior is the selection and implementation of projects that are most profitable in the current market conditions. Companies that put on a quick response, are ready for immediate reorientation of production, change its scale in order to maximize profits in a short period of time, despite the high unit costs, determined by the absence of any specialization of their production [7].

5. Basic types of strategies

V. S. Efremov believes that there are different names for competitive strategies, but upon closer examination it becomes clear that in essence we are always talking about four types of strategies: violent, patient, expletive, commutative [8].

The essence of violent (power) strategies lies in the desire of an organization to dominate a fairly wide market space due to high internal labour productivity, low production costs, and, consequently, low prices of products [9]. Achievement of such targets requires organization of mass production of goods targeted at the average buyer with average statistical needs and opportunities. Violent motto: "Cheap, but decent"; "Expensive and bad").

Patient (niche) strategies suggest limiting the organization of the range and volume of products while at the same time paying special attention to its quality [10]. The essence of this approach lies in the desire to evade the direct influence of competitors - violents through the definition and active formation in the market of segments with specific needs. The motto of the patents: "Expensive, but decent."

Commutant (connecting) strategies aim at maximally quick satisfaction of small in volume short-term and frequently changing needs [11]. The motto of the commutants: “You pay extra for the fact that I solve exactly your problems”.

Exclusive (pioneering) strategies orient the organization to radical innovations and development in the market of demand for fundamentally new goods and services. Explainants motto: “Better and cheaper, if possible”.

An enterprise with a clearly defined main activity, as a rule, implements it using one of the basic competition strategies presented above. However, this does not mean that it is impossible or dangerous to follow two or more strategies. Moreover, the analysis of practice shows that most modern enterprises with a wide range of products or various business areas simultaneously use several approaches for different groups of goods, regions or periods of their development.

6. Conclusion

The main goal of each competitive strategy is to find and take a position in a particular industry, where the organization will be well protected from competition, or it will be able to exert its influence on competitors from the best side. The main criterion for the choice of strategy is the adaptation of its capabilities to specific market conditions. In addition, in this sense, the basic strategies of competition are the principal, general economic basis on which the practical actions of competitors are built.

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