

THE CONCEPT OF COMPETITION IN BUSINESS FEASIBILITY STUDY

Hafni Nainggolan¹
Anggun Pitriyona²
Rina Wati³
Muhammad Rizky Pratama⁴
Muhammad Fayyad⁵

^{1, 2, 3, 4, 5}Muhammadiyah University of North Sumatra
(e-mail: hafninainggolan2508@gmail.com)

Abstract: *Business competition is a natural thing in the industry. Businesses must be able to set the right marketing strategy to survive and win the competition. The existence of competition caused by many factors encourages business people to be able to maintain their business by implementing various business strategies. The type of research method used in this research is by collecting data or information through primary data and also through literature (Library Research), namely research carried out with literature studies, the internet, and so on that are appropriate and relevant to the problem discussed. Business competition presents a variety of benefits for business people that are often unexpected and numerous. Competition between brands, products, competition and generic needs created due to the scarcity of resources where geographical variation occurs. A business feasibility study is to study in depth about an activity, business, or business that will be carried out in order to determine whether or not the business is feasible to run. A competitor is a business that produces or sells goods or services that are the same or similar to the products offered. Identification of competitors includes the type of product offered, the size of the market that competitor's control, and others. In general, attacking a competitor consists of, the strategy of attacking a weak competitor first, a direct competitor attacking a strong opponent, a guerrilla strategy, a defensive strategy.*

Keywords: *business, competitors, competition, strategy.*

Introduction

Business competition is a natural thing in the industry. Every business competes to offer various benefits and advantages of business in the market for profit. In facing business competition, company management must be good at creating certain relationships between the products offered and consumers. Businesses must be able to set the right marketing strategy to survive and win the competition.

Every company must work hard to create new strategic lines in the marketing of its products and services to consumers. Basically, the more competition, the greater the chances of customers choosing the right product. As a result, customers are wiser and more careful in choosing newly emerging products. Consumer choices will continue to change following trends so that a business must have a thorough knowledge of consumer behavior so as to produce a good market to maintain this consistent and continuous change.

Consumer behavior describes how consumers make purchasing decisions and how to use and manage the purchase of goods or services. Businesses that strive to provide the

highest level of satisfaction for consumers determine marketing strategies according to the wishes and needs of consumers. Thus a business must conduct research or observe to obtain information about the factors that influence consumers to make product purchase decisions. Consumer behavior plays a very important role in the formulation of a business strategy. This is because business strategy involves the choice of markets used for marketing purposes, as well as for designing and designing combinations of marketing mixes based on consumer needs can be met very well.

The design of the products produced by the company must indeed be in accordance with the needs of consumers. In addition, the resulting product shows good quality. Quality is the perception of consumers, it can be predicted whether the perception of consumer quality is negative then the product is not liked and does not last long in the market. On the other hand, if the consumer's perception is of positive quality, then the product will be preferred and last a long time in the market as long as the quality of the product lasts well over time.

Price is an important decision that supports the success of the company's operations. Price is the only factor in the marketing mix that generates revenue for the business. The decision in making prices is not easy, prices can be too expensive increasing profits in the short term, but they are difficult for consumers to achieve and difficult to compete with other products. Meanwhile, if the price is too cheap, sales may increase, but the profit margin and net profit obtained will decrease. Good service is also an important factor in creating a positive perception of consumers and can satisfy consumers to make repeated purchases thereby increasing sales volume.

Literature Review

According to the big dictionary Indonesian competition is a competition carried out by a person or a certain group of people, in order to obtain a victory or result competitively. Competition is also a living reality in the business world, the nature, form, and intensity of competition that occurs and the way that strategic decision makers take to deal with the dominant levels affects the level of profit of a company. In competition we know the term "competitor" which is a company that produces or sells goods or services that are the same or similar to the products we offer. A company's competitors can be categorized as strong competitors and weak competitors or there are close competitors who have the same product or have similar products.

According to Marbun (2003) business competition or business is the efforts of two parties / more companies that are each active in obtaining orders by offering the most favorable prices / conditions. Competition is when organizations or individuals race to achieve desired goals such as consumers, market share, survey rankings, or resources needed. According to Andini, Aditiya (2002) competition is an effort to pay attention to the advantages of each individual or legal entity in the fields of trade, production, and defense. According to Galuh Puspaningrum (2013), what is meant in competition law is a legal instrument that determines the way competition must be carried out. According to August von Hayek competition in economics is related to the market mechanism to prices. According to him briefly, the price system transfers information in the most concise and simple way between producers and consumers. According to Dr. Rainer Adam competition is an effective and efficient mechanism that aims to find new solutions to new problems and new challenges

that always arise in the economic world. The following are aspects of business competition that business actors need to know in winning market competition, namely:

1. The threat of the influx of newcomers.

The influx of a number of new entrants will have some significant influence on existing business ventures. For example, capacity increases, market share struggles, and struggles for limited production resources.

2. Threats from substitution products.

Although substitution products have different characteristics, they can provide the same functions or services. Therefore, substitution products that are of lower value will threaten existing products.

3. The bargaining power of buyers.

Buyers are able to influence companies to cut prices, improve quality and service, and bang competitors through their strengths.

4. The bargaining power of suppliers.

In addition to buyers, suppliers can also influence the industry through their ability to raise prices or reduce product quality. Suppliers will be strong if these conditions are met, namely:

1. The number of suppliers is small.
2. Existing products are unique and capable of creating large switching costs.
3. No substitution products.
4. Suppliers are able to integrate forward.
5. The company only purchases small quantities from suppliers.

Here is an example of business competition:

1) Coke vs Pepsi

In the 1980s, Coke and Pepsi began to be seen doing business competition. Both of them are aggressively releasing new products and making various innovations in order to become the overlord of the market.

2) McDonald's vs Burger King

These two food and beverage franchise businesses began a business competition since their first appearance in the middle of the 20th century.

3) Microsoft vs Apple

Bill Gates started the business of first creating the Windows operating system while Steve Jobs was still struggling to create the iOS operating system. Steve Jobs and his Apple at that time had experienced bankruptcy until they were assisted by additional investment by Bill Gates so that they could survive.

According to Wood (2009), there are things that need to be considered by business actors in analyzing business competitors. This is important to do to help marketers understand the market better, anticipate what competitors will do, and create more practical marketing planning.

Method

The type of research method used in this research is by collecting data or information through primary data and also through literature (Library Research), namely research carried out with literature studies, the internet, and so on that are appropriate and relevant to the problem discussed.

Result and Discussion

The problem of competition is not a new problem in the business world, this can be seen in its development where the progress of a company is always accompanied by other companies to go in a better direction. Every company cannot avoid competition from other companies. Although business competition presents serious challenges for business continuity, it turns out that on the other hand, business competition also has benefits for the development of the business itself.

When business people face competition, the effect will indirectly make business people think more innovative so that several new creations will appear. The existence of competition caused by many factors encourages business people to be able to maintain their business by implementing various business strategies. When businesses make the successes achieved by competitors an experience and learning, then businesses (and perhaps this will happen to you) will learn more from that. Business competition is carried out to win the hearts of consumers. Business actors try to offer attractive products and services, both in terms of price, quality and service to potential consumers and customers.

Business competition is a competition between entrepreneurs who both want to get profits, market share, and high sales numbers. Business competition has become something that is mandatory in doing business. Business competition is one of the big risks that business people must face. Business competition is essentially caused by strategic errors where these mistakes can be learned and utilized by other business people as opportunities that can steal the attention of consumers. However, beyond that, all competition is normal in the business world and business people are fully aware of these risks. For this reason, it is not surprising that it is natural for business people to understand, understand and strategize carefully and wisely. This is because competition in business is not a terrible thing that must always be avoided without any positive side.

Business competition presents a variety of benefits for business people that are often unexpected and numerous. Competition in its existence takes place on different types. Competition between brands, competition between types of products, competition for generic needs created due to the scarcity of resources where geographical variation occurs. Understanding these types of competition is an ability.

Competition analysis is dynamic. Competitors are described and analyzed, competitors are evaluated, and then the actions of competitors are predicted precisely. What is meant by competitors includes new competitors who have the opportunity to raise their index fingers as a sign of presence. Competition analysis is a continuous activity and requires coordination of information. Businesses and business units analyze competitors can be by means of using competitors' intelligence systems. For this purpose, several techniques are carried out such as database search, consumer surveys, interviews with suppliers and other

appropriate participants, recruitment of competitors' employees including studying competitors' products.

In order for the company's goals to be achieved as desired, regardless of the company's goals (whether profit, social, or a combination of the two), if you want to make an investment, a study should first be carried out. However, sometimes studies have been carried out properly and correctly the failure factor of an undertaking but exists, let alone one without prior studies. To avoid failure, it is necessary to conduct studies before the project is carried out. One of the goals is to find solutions in order to minimize obstacles and risks that may arise in the future that are full of uncertainty.

It can be concluded that understanding is an activity that studies in depth about an activity, business, or business to be carried out, in order to determine whether or not the business is feasible to run. Eligibility means that the business carried out will provide financial and non-financial benefits in accordance with their desired goals. Decent also means that it can provide benefits not only for the company that runs it, but also for investors, creditors, the government, and the wider community.

There are five purposes why before a business is run it is necessary to conduct a feasibility study.

1. Avoiding the risk of loss
2. Ease planning
3. Facilitate the implementation of work
4. Facilitate supervision
5. Ease of control

A competitor is a company that produces or sells goods or services that are the same or similar to the products we offer. In the world of competition, the main task of entrepreneurs is to attract as many customers as possible, both new and customers of other products. And the most extreme is how to turn off competitors both in a direct way and slowly.

After we know the competitors and market shares that have been mastered, we need to know the targets of the competitors and who is their next target. Competitors' goals include maximizing profits, increasing market share, improving product quality, or possibly shutting down or hindering other competitors. The main goal of maximizing this profit can be done through increasing consumer satisfaction in various ways, for example through waiters or relatively low prices.

Before carrying out an attack on a competitor, the company must first know the weaknesses and strengths that competitors have. The strengths that competitors have must be considered considering that they can also use the attack for counterattacks.

All the necessary data and information can be obtained through marketing research, either directly making provision to competing companies or to other institutions. Information about competitors' data can also be obtained from customers, employees or other institutions. This data collection method is carried out by collecting secondary data as well as primary data. After knowing information about the strengths and weaknesses of competitors, the company's next strategy is to list the weaknesses and strengths of each product, price, distribution, and promotion they do.

Every action or attack we make against a competitor, we must also consider the competitor's reaction to our actions. Jagan until the counterattack backfired on our strategy. The strategy of facing competitors can be done by weakening and destroying competitors by installing competitive strategies. In order to carry out and implement strategies in the face of competitors, we need to know in advance the position and conditions of the company.

Conclusion

A business feasibility study is an activity that studies in depth about an activity, business, or business to be carried out, in order to determine whether or not the business is feasible to run. A competitor is a company that produces or sells goods or services that are the same or similar to the products we offer. Competitor identification includes the type of product offered, seeing the size of the market that competitors are mastering, and others. In general, attacking a competitor consists of, the strategy of attacking a weak competitor first, a direct competitor attacking a strong opponent, a guerrilla strategy, a defensive strategy.

References

- Adriyanto, D. T. (2015, November 09). *Studi Kelayakan Bisnis Strategi Bersaing Perusahaan Bersaing*. Retrieved from dieyodha.blogspot.com.
- Anggarsari, F. (2018, July 18). *Persaingan Bisnis, Apa Penyebab dan Manfaatnya?* Retrieved from zahiraccounting.com.
- Aryanti. (2016, May 13). *Penilaian Kelayakan Usaha & Analisis Pesaing*. Retrieved from antis23.blogspot.com.
- Bagio. (2013, April 05). *Analisis Pesaing*. Retrieved from <http://gioakram13.blogspot.com/>.
- Jawaid, N. (2013, May 01). *Sample Feasibility Study*. Retrieved from www.feasibility.pro.
- Juliawanti, L. (2021, Juny 07). *Studi Kelayakan Usaha, Beserta Tujuan, Aspek dan Tahapannya*. Retrieved from lifepal.co.id.
- Martins, J. (2022, November 22). *Cara menggunakan studi kelayakan dalam manajemen proyek*. Retrieved from asana.com.
- Moedasir, A. (2022, Juny 04). *Persaingan Bisnis: Teori, Contoh, dan Jenisnya*. Retrieved from majoo.id.
- Natalia. (2023, January 03). *Studi Kelayakan Bisnis: Pengertian, Aspek, Tujuan, dan Manfaatnya*. Retrieved from accurate.id.
- Sanjaya, A. R. (2023). *Konsep Persaingan Dalam Studi Kelayakan Bisnis*. Retrieved from www.studocu.com.
- Sankar Kumar Acharya, B. C. (2019, December). *Project Feasibility study*. Retrieved from www.researchgate.net.
- Strategic CFO. (2013). *Threat of New Entrants (one of Porter's Five Forces)*. strategiccfo.com.
- Suadh, S. R. (2015, April 09). *Aspek Persaingan Dalam Studi Kelayakan Bisnis*. Retrieved from bukharawrite.wordpress.com.
- Talerico, A. (2023, March 06). *Feasibility Study*. Retrieved from corporatefinanceinstitute.com.

Proceeding International Seminar on Islamic Studies
Medan, March 15th-16th, 2023

Volume 4 Nomor 1 Tahun 2023
e-ISSN: 2722-7618

The Investopedia Team. (2022, July 29). *Feasibility Study*. Retrieved from
www.investopedia.com.