

# SUSTAINABLE COMPETITION AND RESOURCE-BASED VIEW IN GLOBAL MARKETS\*



**Selda ALAGÖZ\***  
**Ayten AKATAY\*\***

## ABSTRACT

Today, competition concept acquires a different meaning for companies. Too much supply and fast realization of improvements as a result of globalization and fast increase in the population of the world cause companies to lose their competitive advantage in a short time.

Companies have to have some basic abilities and improve them in order to provide sustainable competitive advantage. Basic abilities are more efficient, cheaper and value-added activities according to the activities in a competitive environment. On the view of marketing, to provide a sustainable competitive advantage, companies make an integration of basic marketing abilities and physical sources in a customer centered approach and then they will have an approach which is hard to be imitated.

As we named sources that provide companies a competitive advantage and customer value as "Market Based Resource"; while making a market based resource companies have to provide abilities which are hard to copy and answer customers' needs and wants with rare resources. This can give companies superiority over their competitors. In this study, we will handle the advantages of "**resource-based view**" in today's tough market conditions.

**Key Words:** Resource-Based View, Marketing, Competitive Superiority, Basic Skills

## ÖZET

Günümüzde rekabet olgusu, işletmeler için çok farklı bir anlam kazanmıştır. Küreselleşme, dünya nüfusundaki hızlı artış vb. nedenlerle arzın çok fazla olması ve gelişmelerin hızla taklit edilebilmesi işletmelerin yakalamış oldukları rekabet avantajını kısa sürede kaybetmelerine neden olmaktadır.

Sürdürülebilir rekabet avantajı sağlayabilmek için işletmenin bir takım temel yeteneklere sahip olması ve bunları geliştirmesi gerekir. Temel yetenekler, rekabet ortamındakine göre daha etkin daha düşük maliyetle sergilenebilen ve katma değer oluşturan faaliyetlerdir.

Pazarlama açısından sürdürülebilir rekabet avantajı sağlayabilmek için işletmelerin müşteri merkezli bir yaklaşım içerisinde sahip oldukları temel pazarlama yetenekleri ile fiziki kaynakların bütünleşmesiyle işletmeler taklit edilmesi zor farklı bir yaklaşıma sahip olacaktır.

---

\* "International Symposium Globalization: As a Source of Conflict or Cooperation",  
Girne/KKTC, 2008. (Sempozyumda tam metin sunulan bir bildiridir)

\* Asst. Professor, Karamanoğlu Mehmet Bey University, Faculty of Economics and  
Administrative Sciences. Email: seldalagoz@hotmail.com.

\*\* Asst. Professor, Canakkale Onsekiz Mart University, Faculty of Economics and  
Administrative Sciences, Email: aytenakatay@yahoo.com.

İşletmelere rekabet avantajı sağlayacak ve müşteri değeri yaratacak olan kaynakları Pazar temelli kaynak olarak adlandırsak Pazar temelli kaynakları oluştururken rakiplerin taklit etme becerilerini de göz önünde bulundurarak taklit edilemez yeteneklerin geliştirilmesi ve tüketicilerin istek ve ihtiyaçlarına bu az bulunur kaynaklarla cevap verilmesi işletmeleri rakiplerine karşı üstün hale getirecektir. Çalışmada, rekabet avantajının çok kolay kaybedilir hale geldiği günümüz piyasasında kaynak temelli teorinin pazarlama uygulamaları içerisinde benimsenmesi ve bu durumun işletmelere sağlayacağı avantajlar ele alınacaktır.

**Anahtar Kelimeler:** Kaynak temellilik, Pazarlama, Rekabet Üstünlüğü, Temel Yetenekler

## 1. INTRODUCTION

The changes occurred in technology, economy and social and cultural structures have changed the extent of competition. Nowadays, competition reflects the search for new markets rather than having a larger portion in the current markets. The enterprises, which perform activities in an environment full of uncertainty, have to foresee the opportunities and threats; furthermore, they have to be able to use the opportunities and get rid of the threats.

Resource-based view reflects the importance of the enterprises' self-resources in granting sustainable competitive advantage for themselves. Market-oriented strategies must be adopted in order to be able to apply source-based approach. Pioneer basic abilities of enterprises are developed parallel to the market and the relationship between enterprises and clients. In market-orientation, enterprises should determine the demands and necessities of clients quicker than their rivals and they should compensate these demands and necessities more effectively than their rivals in order to have sustainable competitive advantage.

We can define resource-based marketing approach as the adoption and application of source basement in marketing strategies. Enterprises will have unique values, which the rivals cannot imitate, by focusing on market, using the market-based resources and developing market-based abilities. In addition, they will be able to foresee and compensate the necessities of the consumers, which the rivals will not be aware of, in the best way. This situation will grant the enterprises with a sustainable competitive advantage.

## 2. RESOURCE-BASED VIEW

Nowadays, the rapid economical, social, cultural and technological changes have caused the obligation of changing general structure of enterprises, which intend to have a sustainable competitive advantage, to appear. Resource-based view theory turns out as an approach which emphasizes the importance of enterprises' self-resources in obtaining

sustainable competitive advantage and provides competitive advantage (King and Zeitham, 2001:75).

According to this theory, the success of enterprises depends on the resources they possess and the skill to control these resources. In obtaining competitive advantage, enterprises' possession of knowledge, talent and self-resources relate to the system is expressed as "basic abilities". Basic abilities are signs of technology, knowledge and skills that enterprises possess in every area. Basic abilities which diversify an enterprise from the others and cannot be imitated by other enterprises, grant the enterprises with competitive advantage (Koçel,2003: 387, Chen and Wu, 2006: 197).

Enterprises add essential values into their production by using their basic abilities. Reflection of these added values onto the product affects the position of this product in market positively. Therefore, basic abilities help the enterprises to compensate the current and potential demand, the changes and priorities in this demand.

According to resource-based view, business process must be considered prior to the market and market conditions for an enterprise. The core of source basement consists of strategic investments, which are supported with substructures related to each other, and development of abilities that serves outstanding values for the clients. Of course, the support of senior management is in vital importance for the development of an operational structure focused on these sources. This senior management should have a structure which is able to adapt to the changing environmental conditions and use the time effectively along with the skill to develop new ideas. In addition to this, it is also extremely important that they built more flexible organization structure and they have high quality knowledge acquisition systems and seasonable decision mechanism.

The term of ability, when taken into consideration within the scope of an enterprise, is the skill to use resources while implementing an activity. The ability of enterprises to use scarce sources attaches great importance to all of their activities (production, marketing, human resources, research-development etc.). The basics of resource-based management are enterprises' resources which contain the powerful and the weak sides of enterprises and the control of their abilities in harmony.

Basic abilities are the enterprises' activities which are unique for the enterprise and demonstrate different characteristics from other enterprises and which can create added values. An enterprise will have the chance to use some opportunities and get rid of the threats if it achieves self-realization and identify its abilities correctly (Campbell and Lunchs, 2002: 21). Basic

abilities are investments which have been developed as a result of continuous private investments and which have continuity. The variety and distinction of values and abilities that enterprises possess also diversify the performance of the enterprises. This situation is effective in creating competitive advantage as well.

Enterprises' distinctive information, skills, specialties, new products they develop and good relationships they establish with clients enable them to understand the clients better and satisfy their necessities considering the priorities and differences of their needs. In addition to this, they enable the reduction of costs and increment of productivity (Halmes and Hooper, 2000: 48, Thompson and Stricklan, 1998).

### **3. RESOURCE-BASED VIEW AND MARKETING**

The relationship between resource-based view and marketing is about how to convert market based sources into client values. We can define every type of source, which provides competitive advantage by creating client values in enterprises, as "market based source". Enterprises should develop their market activities as untraceable and inimitable abilities considering the tracking ability of rival enterprises. Thus, they get the chance to address their current and potential consumers with genuine resources (Barney and oth., 2001: 629, Srivasta and oth., 2001: 777-802).

Resources and abilities that do not differ from the rivals' will not provide competitive advantage. The distinction of resources and abilities that enterprises possess sometimes creates new opportunities for enterprises and sometimes provides them with added values by protecting them from threats. However, if the rivals are able to acquire these resources easily, this means that these resources "do not provide added value" for this enterprise. Such resources do not provide competitive advantage as well (Barney, 1991:103).

It is the client who decides if a value is a basic ability or not. While defining their basic abilities, enterprises should put forward the added values provided for clients by these abilities. Because, the main element, which will increase the value of the product or service that will be presented into market, is to what extent they can satisfy the demands and necessities of clients. In addition, in order to be able to define a value as basic ability, it should supply distinction from the other values that other enterprises possess in the same industry. Enterprises can design new products or services by using these values they have uniquely, thus they can gain competitive advantage. In this sense, The previous experiences of an enterprise, the relations of an enterprise with its clients and employees, and the organization culture of an

enterprise are abilities which can create real added values as they are very difficult to imitate.

Marketing abilities are developed as a result of the continuous repetition of knowledge and skills in order to solve the problems related to marketing and increase the efficiency (Varhies and Harke, 2000: 148). Integration of physical resources of enterprises with the aforementioned knowledge and skills will make the marketing abilities superior (Juga, 1999: 5).

Furthermore, while developing marketing abilities, an enterprise may be obliged to change the structure of dependences by making alterations in itself or in its environment in order to change the circumstances that cause an enterprise to be accordingly weak and dependant. Dependences can be altered with four different ways (Sargut,2007:89-91). First of these is the expansion of limits in a way that direct controlling over suppliers and mediators can be fulfilled with vertical integration backwards and forwards. Thus, enterprise implements the source exchange within its own structure. Second way is assembling the enterprise with its rivals under the same roof with horizontal integration. Thus, horizontally integrated enterprises may increase their superiorities against other enterprises. In addition to this, uncertainty in obtaining sources related to competition can be reduced as well. However, when there are a lot of enterprises in the same sector, the positive effects of horizontal integration will remain limited. In the sectors which have a few enterprises, the necessity for coordination among the enterprises can be solved with other ways except horizontal integration. When the density of enterprises is in middle levels in a sector, the positive contribution of horizontal integration will be much greater in such sectors. Third way is the activity diversification of enterprises and participation of enterprises in new areas. All these three options reflect the growth strategies of enterprises. However, fourth option is the growth itself. Because, having superiority against competitors is only possible by growth.

The conception of resource-based marketing requires being market-oriented. Being market-oriented turns into a superior ability which provides sustainable competitive advantage when taken into consideration in terms of source-based approach like customer satisfaction, customer value, basic abilities and profitability (Clark, 1998: 81-96). Market-oriented strategies prescribe the continuous investigation on clients, detection of problems, collecting fresh ideas and arrangement of marketing strategies by evaluating these fresh ideas (Chang, 1999: 407-416). In the enterprises which do market-oriented business, all the employees are aware of the demands and necessities of customers and the attitude of rivals; so they develop their activities in parallel with these. One of the most important requirements to be

market-oriented is to possess market-based resources. Market-based resources are confronted in two types; associational and intellectual (Papatya, 2003: 159-163).

With the technological and sector specific development and the widespread client-centered ideal, associational market-based resources have appeared as a result of enterprises' relations with clients, partners, suppliers and mediators. Continuous and close relationship the enterprises have established with its environment grants the enterprise with the ability to control the market and handle the changes. This situation is important for gaining a good image and reducing the uncertainty. Intellectual market-based resources signify every kind of knowledge, which the enterprises possess, related to the environment of the enterprises.

In the beginning, possessing market-based resources enables the enterprises to develop their relationship with clients and provide themselves with client loyalty. The information obtained about clients and rivals simplifies the preparedness against the threats and the usage of opportunities. In addition, it helps the marketing budget and the channels of distribution to be used more effectively. Market orientation is a part of organization culture and prescribes that all employees and activities of enterprises should contribute to the organization in order to create a superior customer value. The purpose of this is to be able to keep the organization workers in the organization with the help of good relations and increase the satisfaction level of the clients by gaining new abilities.

Another element of the conception of resource-based marketing is market-based abilities. Developing market-based abilities is an important way to handle the changes and create competitive advantage by providing growth and development. Market-based abilities have three important traits such as; profoundness, cooperation and attachment (Papatya, 2003: 187). Profoundness involves the areas that enterprises specialize in. Cooperation is the cooperation among departments and this is also an indispensable prerequisite for being client oriented. Attachment is the attachment between different work units and the enterprise. It enables an enterprise to create resources more rapidly and with lower costs.

In order to be able to develop market-based abilities, a comprehensive marketing anticipation should be possessed. Marketing anticipation is related to making assumptions about the future and imagining. Of course, this structure of the market, demographical attributes of the market and obtained information about the developments in technology makes this assumption easier. However, the enterprises which can put the

products that clients do not need yet on the market by just assuming are considered to have the ability to imagine.

In fact, more importantly, they are the enterprises which create new necessities by producing a product that is unexpected for all. Enterprises with a comprehensive anticipation will not be contented with existing products and services in market only, so they will have the chance to use a lot of competition opportunities. The market-based abilities that enterprises develop will provide them with well-grounded client relations. In addition, they will help to provide the enterprises with more effective sales and pricing strategy. Thus, it is made possible to make the clients be aware of the superiorities and differences of products and services. Marketing manager should determine the circumstances related to market and the potentials she/he has, and she/he should develop her/his market-based abilities in order to have an advantage against her/his rivals in the market she/he has aimed at (Porter, 1987: 43-59).

Nowadays, difficult competition conditions prevents the enterprises from developing these abilities in order to keep them away from risks and cause them to only focus on the products and services which have received appreciation of the clients. Whereas, the enterprises, as a result of good relations with clients, can determine far more different and detailed necessities of clients who are aware of their individuality and can direct their activities according to these creating diversity against their rivals. Enterprises should consider these strategies as elements for sustainable competition and growth.

#### **4. CONCLUSION**

Nowadays, the most important change that enterprises live through is the appearance of global markets. In order to compete in these global markets covering the whole world, enterprises should be different from the rivals. And in order to create diversity, firstly, alteration in conventional enterprise culture should be fulfilled. Reorganization of enterprise culture and consideration of knowledge as the basic element in this alteration process brought about new approaches for the enterprises.

An enterprise should renew its business strategies according to the changes in the necessities and priorities of clients in order to survive for long. Renewal of business strategies may require the enterprise to change its cultural structure. This should be developed according to the self-structure of each enterprise.

As being one of the most important elements of resource-based view, market orientation is an enterprise culture in which the cooperation is

provided among the activities; the value creation that senior management is sensitive about, strategy determination and knowledge-based society are considered to be basics.

Resource-based view prescribes enterprise activities equipped with inimitable attributes by developing enterprises' basic abilities. It is not that difficult for the rivals to follow and imitate the rapidly changing technology. For this reason, enterprises which intend to survive in this global competitive environment are obliged to present extremely genuine products and services to their clients. In order to satisfy the needs of clients by presenting such genuine products and services, marketing activities should be approached in terms of source basement. Thus, it will be possible to obtain sustainable and developable competition advantage.

## REFERANCES

- BARNEY, J.(1991), "Firms Resources and Sustained Competitive Advantage", *Journal of Management*, 17(1).
- BARNEY, J., M. Wright and D. J. Ketchen (2001), "The Resource-Based View of the Firm:Ten Years After 1991", *Journal of Management*, 27(6).
- CAMPBELL, A. and LUCHS, K. S., (2002), **Temel Yetenek Tabanlı Strateji**, Epsilon Yayıncılık,1th ed.,(E. Sungur,Trans.), April, İstanbul.
- CHANG, T. L. (1999)"The Effects of Market Orientation on effectiveness and Efficiency:The Case of Automotive Distribution Channels in Finland and Poland", *Journal of Services Marketing*.
- CHEN, Y. F. and WU, T. C., (2006). "The Conceptual Construction of Core Competence for Two Distinct Corporations Taiwan", *The Journal of American Academy of Business*, Cambridge, Vol:8, No:1, March, 197
- CLARK, B. H. and Montgomery, D. B.(1998). "Competitive Reputations,Multimarket Competition an Entry Deterrence", *Journal of Strategic Marketing*, 6 ,
- HOLMES, G. and HOOPER, N., (2000). "Core Competence and Education", *Higher Education*,Vol:40.
- JUGA, J. (1999), "Generic Capabilities: Combining Positional and Resource-Based Views for Strategic Advantage", *Journal of Strategic Marketing*, 7 (1).
- KING, A. W. and ZEITHAML, C. P. (2001). "Competencies and Firm Performance: Examining the Causal Ambiguity Paradox", *Strategic Management Journal*, Vol:22.
- KOÇEL, T.(2003), **İşletme Yöneticiliği**, Beta Yayınevi, 9th ed. , İstanbul.
- PAPATYA, N.(2003),**Kaynak Tabanlılık Görüşü** ,Nobel Yayın Dağıtım, Ankara.
- PORTER, M.(1987), "From Competitive Advantage to Corporate Stragety",*Harward Business Reiew*,May-June.
- SARGUT,A.S., Ş. ÖZEN, B.ÜSDİKEN, N.GÖKŞEN,and at al.,(2007). **Örgüt Kuramları**, İmge Kitabevi , May, Ankara.
- SRIVASTAVA, R. K. and L. Fahey and H. K. Christensen (2001), "The Resource-Based View and Marketing: The Role of Market- Based Assets in Gaining Competitive Advantage", *Journal of Management*, 27 (6).
- THOMPSON, A. A. and STRICKLAND, A. J., (1998). **Strategic Management**, McGraw- Hill Education, 9th ed., New-York.
- VORHIES ,D. W. and Harker, M. (2000), "The Capabilities and Performance Advantages of Market –Driven firms:an Empricial Investigation ", *Australian Journal of Management*, september.