



## Determination of Competitiveness : Price and Promotion (Marketing Management Literature Review)

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**Abstract:** Literature Review of Price Determination, and Promotion in Increasing Competitiveness is a scientific article with the aim of analyzing whether products, prices, and promotions play a role in Competitiveness. The qualitative approach method with the literature review method to explore and analyze the relationship between price, promotion, and competitiveness. The results of this article are: 1) Price plays a role in increasing Competitiveness, 2) Promotion plays a role in increasing Competitiveness. Apart from these 2 exogenous variables that affect the endogenous variable of Competitiveness, there are still many other factors including social media, viral marketing, and place atmosphere.

**Keyword:** Price, Promotion, Competitiveness.

### INTRODUCTION

In an increasingly competitive business world, a company's competitiveness is a crucial factor in determining long-term success. An effective marketing strategy plays an important role in shaping and maintaining that competitiveness. Two main elements in a marketing strategy that are often the focus of attention are price and promotion.

Price not only reflects the value of a product or service, but also influences consumer perceptions of quality and competitive advantage. Research by Firmansyah et al. (2025) shows that promotional prices have a significant positive influence on consumer purchasing decisions, especially in the context of market digitalization. In addition, promotions function as an effective communication tool to increase brand awareness and attract consumer attention. Hastono and Triyadi (2021) found that promotions have a significant effect on consumer purchasing interest, with a contribution of 43.2%.

This article aims to comprehensively review the literature related to the influence of price and promotion on company competitiveness. Through this literature review, it is hoped that a deeper understanding can be obtained regarding effective marketing strategies in increasing competitiveness in an increasingly competitive market.

This study aims to determine whether Price and Promotion play a role in Competitiveness. Based on references from the problems that have been explained previously. The questions for the scientific article literature review are as follows:

1. Does Price play a role in increasing Competitiveness?
2. Does Promotion play a role in increasing Competitiveness?

## **METHOD**

This study uses a qualitative approach with a literature review method to explore and analyze the relationship between price, promotion and competitiveness. This approach was chosen because it allows researchers to collect and analyze various sources of relevant information from previous research, theories, and existing models.

## **RESULTS AND DISCUSSION**

### **Results**

The results of this article based on the problem background, objectives and methods are as follows:

#### **Competitiveness**

According to (Sari, 2020) competitiveness in marketing is the ability of companies to develop strategies that allow them to compete better in the market. This involves the ability to understand market needs, create innovative products, and market those products more effectively than competitors. In a highly competitive world, companies need to rely on marketing innovation, product differentiation, and excellence in customer service to build sustainable competitiveness.

(Pramono and Hidayat, 2020) state that competitiveness in marketing is greatly influenced by product differentiation. Companies that succeed in creating products that are different from competitors, either in terms of quality, features, design, or other benefits, can have a stronger competitive advantage. Product differentiation allows companies to attract certain market segments that have specific preferences, thereby improving their market position.

According to (Hanafi and Sari, 2021), competitiveness can be measured through several dimensions, namely: 1) Product Quality: High product quality allows companies to offer more value to consumers and differentiate themselves from competitors; 2) Competitive Price: Companies that can offer lower prices or higher value at competitive prices will have a competitive advantage; 3) Innovation: Product and technological innovation are essential in increasing competitiveness, especially in highly dynamic industries; 4) Marketing: Effective marketing strategies, including promotion, distribution, and pricing, will strengthen a company's competitiveness.

Competitiveness has been widely studied by previous researchers, including: (Ali, H et al., 2016), (Muzakki, H., 2023), (Ali, H., Karimi, S., Febriamansyah, R., & Oktaviani, R., 2016), (Wibowo, D. H., Arifin, Z., & Sunarti, S., 2015).

#### **Price**

According to Pramono and Hidayat (2020), price is a crucial element in the marketing mix, which determines how much consumers are willing to pay for a product or service. The price set by the company will affect consumer perceptions of the value of the product and can serve as an indicator of the quality or position of the product in the market. Determining the right price can increase the company's competitiveness and support the achievement of marketing goals.

Taufik and Aulia (2021) in their research explain that price affects product demand, which in turn is related to the company's competitiveness. Prices that are too high can reduce demand, while prices that are too low can harm the company in the long run. Therefore, companies need to determine the optimal price that is in accordance with the value of the product and the target market segment. The right pricing strategy can increase competitiveness in a competitive market.

The price dimension in marketing consists of various factors that need to be considered by the company to ensure that the price offered is in accordance with market needs, product competitiveness, and overall marketing strategy.

Price has been widely studied by previous researchers, including: (Ikhsani, K., & Ali, H., 2017) , (Anom, S., & Ali, H., 2024), (Aprelyani, S., Ali, H., & Hadita, H., 2024), (Silviah, R., 2024).

### **Promotion**

According to Pramono and Hidayat (2020), promotion is a communication tool used by companies to convey marketing messages to consumers. Promotion aims to increase consumer awareness of products or services, build stronger relationships with consumers, and influence purchasing decisions. In this case, promotion acts as a liaison between the company and consumers, communicating the benefits and value of the product.

According to Dewi and Rahmawati (2021), promotion can also function as a product differentiation strategy. In a competitive market, promotion can help companies differentiate their products from competitors by offering incentives or added value. For example, providing product bonuses or discounts can create added value that can differentiate a company's products from competitors' products in the market.

The promotional dimension in marketing involves various aspects that influence how companies communicate with consumers to increase awareness, interest, and ultimately, purchasing decisions. Promotion is not just about giving discounts or gifts, but includes various communication tools used to build brand image, introduce products, and attract consumers.

Promotion has been widely studied by previous researchers, including: (Junikon, E., & Ali, H., 2022), (Ansori, A., & Ali, H., 2017), (Lathiifa, S., & Ali, H., 2013), (Tonda, F., Ali, H., & Khan, M. A., 2024), (Silviah, R., 2024).

### **Discussion**

#### **Price in increasing competitiveness**

Price is one of the key elements in the marketing mix that has a direct influence on consumer perception and the company's position in the market. The right pricing strategy can be an effective tool in attracting consumers, increasing sales, and creating a sustainable competitive advantage. Competitive pricing allows companies to compete more strongly with competitors in the same market. According to Sutriani, Nasution, and Nasution (2022), prices that are balanced with product quality can increase sales volume, as happened in the "Kurnia" cassava chips business in Labuhanbatu Regency. Consumers tend to choose products that provide the best value, not just the cheapest. In addition, price can also be used as a strategy to target certain market segments. Price discrimination strategies, for example, allow companies to offer products at different prices for different segments, as long as they maintain fairness and do not cause unfair competition practices. Raihan et al. (2023) highlighted that although this strategy is effective in increasing competitiveness, there needs to be regulations that avoid potential market instability. Dwisakti, Santoso, and Hartono (2024) added that the combination of pricing strategy and product innovation can increase business competitiveness, as in their study of hydroponic vegetable businesses. Appropriate prices, if supported by quality and innovation, not only attract consumer interest but also build long-term loyalty.

Thus, pricing strategies must be carefully designed, considering cost aspects, consumer perception value, and market conditions. Effective pricing not only functions as a tool for making a profit, but also as a competitive strategy in winning the market.

This research is in line with research conducted by: (Ikhsani, K., & Ali, H., 2017) , (Anom, S., & Ali, H., 2024), (Aprelyani, S., Ali, H., & Hadita, H., 2024), (Silviah, R., 2024).

## Promotion in increasing competitiveness

Promotion is one of the important elements in marketing strategies used by companies to attract consumer attention, create brand awareness, and increase sales volume. In addition, promotion also has a very significant role in increasing the competitiveness of companies in a competitive market. By using various types of appropriate promotions, companies can differentiate their products or services from competitors, strengthen brand image, and build customer loyalty.

One of the most commonly used forms of promotion is price promotion, such as giving discounts or price cuts on certain products. This price promotion is often used to attract consumers to buy more products in a short time. Research by Sari and Hidayat (2022) shows that attractive price promotions can increase sales volume in the short term. However, the use of price promotions must be done carefully so as not to damage brand image and competitiveness in the long term.

In addition, price promotions can also help companies to compete more in a very competitive market. If competitors offer products at higher prices, companies that offer more attractive price promotions can gain a larger market share. This helps companies stay relevant in the market and encourages consumers to choose their products.

This research is in line with research conducted by: (Junikon, E., & Ali, H., 2022), (Ansori, A., & Ali, H., 2017), (Lathiifa, S., & Ali, H., 2013), (Tonda, F., Ali, H., & Khan, M. A., 2024), (Silvia, R., 2024).

## CONCEPTUAL FRAMEWORK

Based on the formulation of the problem, theoretical studies, relevant previous research and discussion of the influence between variables, the framework for thinking in this article is obtained as below.

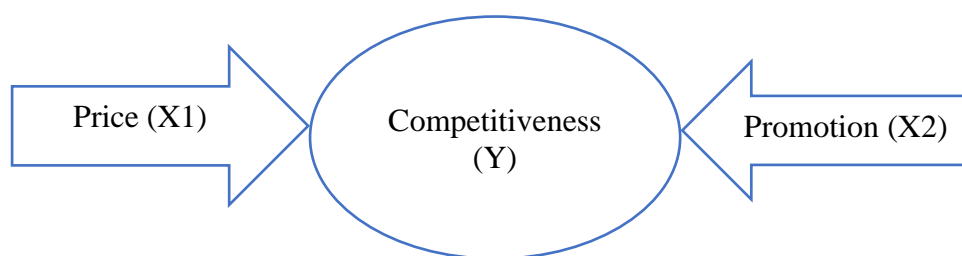


Figure 1. Conceptual Framework

And there are many other factors that influence Competitiveness (Y), including:

- Viral Marketing : (Putri, N. A., 2024), (Silvia, R., 2024), (Hikmatul, A., 2023), (Marlena, R., Istan, M., & Andriko, A., 2024).
- Atmosphere Of The Place: (Gunawan, I., Sumantyo, F. D. S., & Ali, H., 2023), (Silvia, R., 2024), (Maruli, E., Anigomang, F. R., & Maro, Y., 2022), (Lestari, U. P., & Sinambela, E. A., 2022).
- Social Media : (Ali, H., 2023), (Tusadia, I. H., & Ali, H., 2024), (Silvia, R., 2024).

## CONCLUSION

This study aims to determine whether Price and Promotion play a role in increasing Competitiveness. Based on the article's questions, the following conclusions can be drawn from this study: 1) Price plays a role in increasing Competitiveness, 2) Promotion plays a role in increasing Competitiveness.

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