STRATEGIC ALTERNATIVES RELATED TO MARKET DEMAND

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Abstract
The foundation of any policy is the analysis of the relationship between supply and demand at the level of industries that still call the area of business. It is possible that a product or service is no longer required when it is available, even if the need is there, but wishes have undergone some changes and the image of the product on which a buyer wants is another. A buyer may be satisfied when the ownership of a product but be disappointed in the performance of its actual time of use. That is why we have made a distinction between objective and subjective value. Objective value, addressing the needs, provides a degree of satisfaction dependent on characteristics of age, gender, origin, vocational, family specifically. Subjective value is determined by the degree of satisfaction of desires, and is appreciated by each buyer depending on habits, cultural and social group consumption and education. There are four ways to approach that emphasizes differentiation: new products (differentiation), better products (positioning), faster products sold (focusing) and cheaper products (cost leadership).

Key-words: new products, better products, faster products sold, cheaper product

Classification JEL: L10, L20, M10, M30,

1. Introduction

Aspirations can be considered as representative of the state in which lies humanity, while at the same time and human nature and the state of knowledge. A human need is a state of awareness of the lack of elementary satisfactions. [1] Needs are perceived as an expression of human expectations. They are personal, internal, and usually create some tension. Needs generally define gaps that an individual feels them at a time. Expectations are beliefs in the existence of rewarding individuals that can be obtained by a certain level of material or human effort. Making an effective motivation system requires knowledge of the needs and expectations of individuals. Corresponding to different needs there are countless possibilities for their classification and characterization. The needs of individuals take the form of objectives that they propose for certain periods: obtaining food, housing, prestige, celebrity, etc. To realize these goals, the individual is willing to take some action. There are many models that classify human needs by various criteria. One of the best known is Abraham Maslow's model, a model that contains a significant hierarchy of needs. Motivation theory was discussed by Freud [2]. He believes that people are largely unaware about the real psychological forces that influence their behavior. He suggests that a person cannot fully understand their own statements.

One essential of needs understanding is that they are created by society and market actors but related human condition, with as I said, an objective needs can only be discovered, influenced, stimulated awareness and intensity. Desire is the aspiration towards certain things that can satisfy a need. For example we can say that there is a need to eat and the desire to eat an apple or a steak instead, or eating at home or at a restaurant, according to the psychological, personal, social or cultural rights of the individual. Always needs number is lower than the desires.

2. Methodology
During human evolution there has been a constantly evolving needs and desires proportion. Within each category of needs man has discovered new variants thereof [3], leading to the conclusion that there are future resources even needs not only at the level of desire.
A well-known theory of desire which starts from a classification other than that needs developed by A. Maslow, called ,, theory of existence, relatedness and growth ”(Existence, relatedness and growth theory - the theory ERG) developed by Clayton Alderfer.

Like Maslow, Alderfer ERG theory has based on three important aspects:
1. The need is stronger, the desire will be higher. If a person does not have adequate shelter (need for existence), the more you will want to have a home.
2. The desire to satisfy higher needs (kinship and growth) will be even higher, as lower needs (subsistence) will be better met. Like to Maslow, the need for intellectual and social status will be weaker in the period in which man is concerned with physiological needs [4].
3. Needs will be lower the more desirable since higher needs are less satisfied.

The third part highlights the essential difference between the hierarchy of needs theory that analyzes primarily ERG wishes. In the first, the individual must constantly progress hierarchy, from the lower to the higher needs. ERG Theory recognizes explicitly that needs not be always satisfied progressively. And if there is frustration or dissatisfaction, lower needs will gain importance increasingly higher [5].

ERG theory has been given special attention from researchers in management and was one of the most promising theories of motivation proposed in recent years.

The relative simplicity of this theory, compared with Maslow’s formulation makes it much easier to be analyzed and studied in practical circumstances.

Desires always have a subjective character unlike needs. The subjective character can be exemplified by the fact that the need for travel [6] can be derived in the desire to walk or desire to go in a car, depending on the image that is the subject of the idea of travel.

3. Demand for Goods and Services as a basis for substantiating business strategies

In the application there is a well-structured overall governing any action that will take a buyer. This we can call the whole structure cardinal demand. Like any environment, business and hence its application operates on four directions (figure no.1.)

As can be seen in the picture above at buyer is consciously or unconsciously driven by four major forces. They are distributed in two directions (axes) rights.

Axis objective grouping those forces which obliges the buyer to purchase action or at least to obtain means (sources) physical or mental satisfaction. This does not, however, directs the consumer to a specific character behavior and actions. It includes the felt needs of the individual and the opportunities that we have at hand to meet that need

Axis develops amid axis subjective and objective manifestations generate distinct from one individual to another and from one situation to another. Here are quartered desires manifesting the specific needs and specific ways to use the scope.

Furthermore cardinal structure of the application is divided into segment of aspirations and restrictions. At the aspirations and needs and desires can be found in the call segment grouped restrictions possibilities and ways to purchase.

![Figure no. 1. Cardinal structure of demand on the business area](image-url)
4. Restrictions. Objective and subjective buying

The restrictions are the support or support offered to a need or desire. These restrictions or conditions that manifest certain needs and desires are, in turn, either subjective or objective.

Restrictions objective nature is the possibilities of purchase. Desires turn in demand when supported by purchasing power (obtaining the product or service) that is measured in most companies in financial strength. At the level of a market expensive products or services are desired by many people but not all of them can afford their purchase due to low financial strength of most willing. Therefore bidders must know not only the specific desires of a market but the number of those who can fulfill these desires.

The subjective is the restriction on the ease of purchase. Just as the needs manifested by conscious desires and purchasing opportunities are generating concrete ways to purchase. Thus at a price of a product or service it may be acquired permanently by paying the total amount on the purchase or during use (rate system) or simply can purchase the product or service for a limited period of its use cycle by rental, also paying in proportion to the period of use. As such product may not be affordable for direct purchase, such as a vacation home can be purchased in installments, or just rent in a travel benefits. In this case the restriction is strictly subjective purchase.

The ease of purchase is located on the axis subjective characteristics and issues involving the application of subjective costs of time and space resources respectively. We refer here particularly to the period of time that a buyer may arrive a product or service (availability) and the physical distance separating the purchaser of that product or service (placement).

5. Global value and overall cost

Buyers do not purchase goods or services at a certain price and under certain conditions but try getting some satisfaction. Satisfaction we can call the "global value associated product" actually represents the degree to which supply consumer needs and helping to satisfy their desires.

At the subconscious level consumer perceives value necessary to meet its needs and value necessary to satisfy desires. Needs is possible only through actual use of a product that has such a use value, regarded as "objective value" - is actually located on the axis cardinal objective of the system.

On the other hand satisfying the desire is achieved when the purchaser is a desired product, without the need for the use thereof. The product has such a retention value can be regarded as "subjective value" related to the buyer itself. A product may be desired by the buyer but may be rejected by another buyer because of the image that have formed a them on the product or the mark.

On the opposite side are "the total cost of" the restrictive element. Suppose a buyer imagines the perfect product at a certain total objective and subjective. Although the buyer will want purchase this product possible, while the cost of this product is too high, the buyer opt for another product with a lower value.

![Figure no.2. Cardinal structure of the product](image-url)

Every product comes with a selling price for the buyer becomes an acquisition cost is considered "cost objective" that buyers must pay. Target cost of products will be evaluated differently for each class of buyers in part depending on factors like incomes, positioning in a particular social class or maturity of the market.
"The total cost associated with the product" is a complex notion that includes besides "cost objective" and "subjective cost" as a sum of costs related to each individual. These lists Philip Kotler: time cost, energy cost and moral cost [7]. These costs can add holding group space-related costs, a cost and a cost structure relationship. If these costs are high subjective will reduce the added value that remains available to the customer. The diversity of these costs is too wide and their studies are still too few, but they can be considered as the costs involved in purchasing, holding a certain period and waiver of a particular product.

Following the model of the application can distribute cardinal options to a consumer in two directions: one objective and one subjective (figure no. 2). Along the axis targets consumers make judgments on the value and cost of a product and target along the consumer's subjective assessments will cover subjective aspects of the product.

5. Conclusions

To respond to a consumer orientation of one of the four stimuli to purchase the offer may consist of four main directions of expansion similar cardinal demand structure (Figure no. 3).

**Figure no.3. Alternatives of business strategic orientation in relation to demand**

- **Differentiation strategy** is to achieve distinction "distinct" from the product or service offered by the company, in order to create "something" that is perceived as unique in the industry or market. By doing so, the company manages to create a monopoly of the product, placing it in an advantageous competitive position because the image, design, function and services they carry the product are not included in the offer of a competitor. Customers will be permanent, and the market is not very large, but constant, will be kept securely. The whole problem of differentiation strategy is to keep the customer even if the price difference required to distinguish offered, because differentiation leading to additional value for the customer, functional or psychological value that it causes the client to accept and pay a price higher than the price of products made by other firms in the same sector.

- **Positioning strategy (segmentation)** of the market is to sell the product on a segment of the total market relevant (relevant market is the segment of the total market of a product possible that the limited company to serve and who face other competitors). Companies are increasingly using more and more so-called target marketing. It helps manufacturing companies to identify accurately the main sections of the application and determine the most profitable market niches. At this target marketing plus a competitive analysis conducted by strategic management by analyzing competing offer for these segments and the intensity of competition in the conditions of entry in these market segments.

- **Cost leader strategy** is a great way to dominate the market through lower prices than the competition. This requires the company to have a large market, stable, to be organized properly and efficiently, to benefit from the experience in the field, to promote a policy that costs of production and logistics to be constantly analyzed and optimized options supply to be oriented using appropriate materials and particularly should be kept a constant concern for increasing labor productivity. The strategy of domination through costs is not without risk: a technological revolution which is enough to propel competition in position annihilating all the benefits from the experience gained and the economic measures adopted.

- **Focusing strategy** requires precise orientation towards a market area, defined by a consumer group or a group of products and looking for a unique target allow them to take advantage of faster sales to consumers. It is obvious that in this case very effectively serving must make subjective cost reductions as travel costs, cost of lost time for purchase, the cost of maintaining the product, its replacement cost or cost on repairs. Given that these costs are avoided will be
easy for competition to, penetrate the market company that promoted a policy of focusing incomplete. On the other hand companies that adopt a policy focus is trying to use essential skills available to meet the needs of a small group (specific) consumers, unlike firms that addresses the entire market when adopting other types of strategies presented.

6. Bibliography