

## **DISTINCTIVE COMPETENCY AND ITS IMPLICATION TO MARKETERS IN GHANA**

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**ABSTRACT:** *For a business to develop and sustain a competitive advantage, it must have some sort of competitive advantage, based on a distinctive competency, which enables it to produce a unique value proposition. A distinctive competency is a competency that is maintainable in the face of competition. It is not imitable, at least for a while. This paper reviews the concept of distinctive competency and its implication to marketers in Ghana. The paper concludes that identifying key internal strengths that meets the needs and expectations of customers and taking advantage is essential to success in the marketplace.*

**KEYWORDS:** Distinctive competence, Ghanaian marketers.

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### **INTRODUCTION**

As globalisation increases businesses in Ghana will continue to face some of the most daunting changes and challenges ever. Fierce competition from mass producers in advance economies coupled with changing demographics, and shifting consumer purchasing patterns are forcing many Ghanaian businesses to alter the ways they have traditionally conducted business. In order for local businesses to survive and perform well, there is the need to identify what specific organizational resources and capabilities that would enable them to enjoy superior performance. These specific and unique resources and capabilities is what is termed as distinctive competencies. Marketers have to decide what strategies to adopt and when to change strategies. Strategy is a comprehensive plan for accomplishing the organisational mission.

### **THEORETICAL FRAMEWORK**

How a business achieves and sustains a competitive advantage has long been the central focus of strategic marketing research. The dominant paradigm in the field has been the competitive forces approach that posits that the intensity of competition determines the profit potential for individual companies (Porter, 1980). According to this framework, a company seeks a position in an attractive market that can be defended against both existing and potential competitors. Although the identification and development of the requisite capabilities is important, the marketer's primary focus is on achieving a defensible low-cost or differentiation position, and on keeping rivals off balance through strategic investments, pricing strategies, and competitive signalling.

More recently, there has been growing interest in the role resource-based capabilities have on attaining competitive advantage (McGee and Finney, 2007). Relying on the traditional strategic marketing construct of distinctive competence, the resource-based view suggests that the source of competitive advantage is rooted in a firm's resources and capabilities. Resources include capital equipment, skills of individual employees, reputation, and brand

names. Capabilities, on the other hand, refer to a company's skill at effectively coordinating its resources. In other words, resources are the source of a company's capabilities; and capabilities refer to a company's ability to bring these resources together and to deploy them advantageously (Gant, 2008). Capabilities also differ from resources in that they cannot be given a monetary value, as can tangible plant and equipment, and are so deeply embedded in the organizational routines and practices that they cannot be easily imitated.

Every organisation possesses many capabilities that enable it to perform the activities necessary to provide its products or services. Some of these activities may simply be performed adequately, while others may actually be performed rather poorly. However, successful organisations conceivably possess certain capabilities allowing them to perform key activities exceptionally well. These capabilities have been termed "distinctive competencies" and generally refer to the unique skills and activities that a company can do better than rival companies (Selznick, 1957, Lado, et al, 2002). Moreover, these are the distinctive capabilities that support a market position that is valuable and difficult to imitate. The best test of the distinctiveness of a capability is whether it disproportionately facilitates the provision of superior customer value or permits the business to deliver to customers in an appreciably more cost-effective way. In this respect, a distinctive capability functions much like a key success factor (Day, 2004). There is a rich body of literature pertaining to the interplay between competitive advantage and distinctive competencies that suggests that those companies which develop and exploit their distinctive competencies outperform companies that do not do so (Conant, et al., 1990, McGee and Finney, 1997).

## **IMPLICATIONS TO MARKETERS**

Many Ghanaian marketers were able to grow in a monopolistic market environment largely due to government support and lack of stiff competition. However, in the current age of global competition, Ghanaian businesses are standing at an important turning point. Either they have to find their core competencies and acquire competitive advantage to effectively meet the global competition, or resort to being ruled by those global companies with accumulated distinctive competencies.

Ghanaian marketers need to identify the strengths and weaknesses of their organisation. And then determine the strategic importance of these strengths and weaknesses in the given marketplace. Then, they should analyse specific market needs and look for comparative advantages that they have over the competition.

Since business environments and marketplaces are always changing, the challenge for managers is to maintain the organisation's distinctive competence. As defined earlier, distinctive competencies are distinctive skills and capabilities companies can use to achieve an unusual market position or to gain an advantage over the competition. Thus, a company's advantage comes largely from the fact that it has differentiated itself from its competition. It follows that if the environment changes such that numerous rivals have obtained competencies identical to those characterizing a particular company, the company is in a very poor position and would do well to reconsider its strategy. Therefore, in order to sustain advantage, competencies must be dynamic, evolving to more favourable forms in order to sustain advantage over the long run.

## CONCLUSION

This study explored the concept of distinctive competence and its implication to Ghanaian marketers. Distinctive competence is a set of unique capabilities that certain companies possess allowing them to make inroads into desired markets and to gain advantage over the competition. Generally, it is an activity that an organisation performs better than its competition. To define a company's distinctive competence, marketers must complete an assessment of both internal and external corporate environments. When marketers finds an internal strength that both meets market needs and gives the organisation a comparative advantage in the marketplace, that strength is the company's distinctive competence. Taking advantage of an existing distinctive competence is essential to success in the marketplace. In summary an organization's distinctive competency provide it its competitive advantage. What these distinctive competencies are, need to be systematically identified and evaluated to ensure that adequate managerial focus and resources are directed to its development to support growth and success in a dynamic market.

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