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The Effect of Pricing Strategies on Competitive Advantage

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Abstract: The issue of price and pricing is one of the topics of great importance, as choosing the appropriate strategy for determining prices for products is linked to the decision-making process and achieving profits for the organization and thus determines the fate of the organization by the size of the market share first and secondly by achieving its competitive advantage. There are many studies that have identified types of strategies, each of which is used according to Market conditions and its features. Therefore, the process of determining the price of any product, whether it is a physical or service product, is carried out in light of those pricing strategies (the skimming strategy, the penetration strategy, the pricing strategy, the low cost strategy., the final price strategy .. etc.) and supply and demand, Each type of strategy has advantages that are used in the market, which consequently affects the competitive advantage between organizations or companies.

Accordingly, the research methodology was determined by defining the research problem, which is how to choose the appropriate strategy to determine prices for products (material / service) under the circumstances of Iraq, which is characterized by an open economy with significant changes in the economic, political and social business environment, in addition to the presence of many competing companies that import Products by several countries for the same product at a very low price. As for the objectives of the study, it is necessary to determine the importance of perceiving and understanding senior management about the impact of decisions on choosing the appropriate pricing strategy on organized profits and market share and on achieving competitive advantage in the market.

The importance of the study lies in the correlation of decisions and the choice of pricing strategy on the profits of the organization and on determining the competitive advantage in the market. As for the hypothesis of the study, there is a significant correlation between pricing strategies and the achievement of the competitive advantage of the organization.

Keywords: Price, pricing strategy, competitive advantage

The first topic

First: Research Methodology:

The problem of the study: Given the rapid changes in the Iraqi environment, especially in recent years, and the emergence of many commercial companies in the market, which import fully-made products, there are many difficulties that organizations face when determining the prices of products (material /

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service) after determining costs (labor / Raw materials / capital / land .. etc. (How to penetrate the market and attract the attention of the consumer to the commodity at an appropriate price despite the presence of many great challenges, including the entry of products from several countries with the same commodity and the same advantages at a very low price, how does the organization achieve a competitive advantage from By using an appropriate pricing strategy.

Objectives of the study:

1- Identifying the factors involved in choosing the appropriate pricing strategy from other strategies and interacting with one of the competitive strategies

2- It is necessary to determine the importance of the awareness and understanding of the senior management about the impact of decisions choosing the appropriate pricing strategy on the organization's profits and on the market share and on achieving a competitive advantage in the market.

the importance of studying:

1- Enriching the theoretical side about understanding and interpreting the impact of pricing strategy on competitive advantage

2- The importance of the correlation of decisions and the choice of pricing strategy on the profits of the organization and on determining the competitive advantage in the market

3- The limitations of writings and practical research on pricing strategies and their relationship to competitive advantage, in light of the Iraqi environmental conditions for recent years and their fluctuations according to political and economic conditions, which is considered a reference in the Arab library in the field of marketing.

Study hypothesis:

1- There is a significant correlation between pricing strategies and achieving competitive advantage

2- There is no significant correlation between pricing strategies and achieving competitive advantage

Second: Previous studies:

1-FIXED INCOME CASH PRICING SOURCES, FIXED INCOME A Bloomberg Professional Service Offering, LEARN MORE For additional information, press the key twice on the Bloomberg Professional® service(https://data.bloomberglp.com/professional/sites/10/Fixed -Income-Cash-Pricing-Sources.pdf

- The study included the sources of setting prices in the trading desks by using the buy side and the sell side for a variety of pricing data, such as the dealer's compound prices and intraday benchmarks to assess market levels and show the best execution to their clients. This requires compliance teams, pricing and accounting, repeatable end-of-day pricing, defending asset valuation, and measuring risk at the portfolio level, prices are sharper for weakly traded instruments with little or no liquidity, and regulations require that investors have disclosures (information Detailed and more stringent risk measurements.

Bloomberg is uniquely positioned to bring together data, analytics, and trading workflows to support price discovery, execution, and then regulatory reporting. Our pricing builds on these strengths so that we can offer specific pricing sources to meet customer needs.

2- Factors Affecting Price Determination, Account - Admin

https://www.accountingnotes.net/marketing/factors-affecting-price-determination/17660

- The study identified some factors that affect the price determination of products, they are:

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1. Product cost 2. Utility and demand 3. Extent of competition in the market 4. Government and legal regulations

5. Pricing objectives 6. Marketing methods used and a few other factors.

In addition to the above factors, the study identified other variables in addition to the above factors, where price stabilization is an important exercise for all companies or organizations. There are many factors that influence price fixation.

1. Marketing objectives

2. Other Marketing Mix Elements Strategy

3. Production and distribution cost

4- Government and legal regulations

5- Demand for the product

6- Sales volume and profit

7. The economic situation of the country

8. Government policy

9. Product life cycle

10- Economic environment

3- Competitive Pricing Strategy: Benefits and Disadvantages, BLOG POST

Author PROS, Inc., 2021 https://pros.com/learn/blog/competitive-pricing-strategy

The study determined that pricing plays an important role in the consumer decision-making process. Best Prices for Shipping a Good or Services - No matter if you're running an e-commerce site, a physical store, or a new business owner tasked with pricing products for the first time in a competitive market, where the prices you set for your goods or services affect nearly every aspect of the business, Including things like cash flow, profit margins, business expenses that can be covered, and where your products are in the market - so choosing them wisely is critical to business scalability and staying competitive in your niche, there's a tried-and-true pricing method that many businesses can Competitive Pricing Using a competition-based pricing strategy, companies have three options when setting prices for their goods or services:

1- Lower prices: The prices of goods or services are lower than the prices of competitors in the market. This strategy can be profitable for companies that are able to take advantage of economies of scale. Low price points can also be used as part of a loss leader strategy. Frequently implemented by companies entering the market for the first time, the loss leader strategy is a technique in which goods or services are set at a lower price point that is not profitable but attracts new customers or enables the company to sell more profitable additional goods or services to these customers.

2- Higher prices: prices of goods or services that are higher than competitive prices in the market. This strategy is used by companies that offer goods or services with more features or advantages than their competitors. Higher price points are typically used by businesses that have a good brand reputation and provide a "premium" or "luxury" product compared to other businesses in the market or niche

3- Price skimming: When companies introduce a new product to the market, they can use price skimming as a competitive pricing strategy. Price skimming is the technique of charging the highest initial price

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customers will pay when demand is high, and then lowering that price over time. Once the maximum amount of revenue is generated and competition begins to enter the market, companies can lower the prices of their products to attract new cost-conscious customers while remaining competitive against competitors who are now producing similar products.

4- Equal prices: The prices of your goods or services are equal to the prices of your competitors in the market, or with the prevailing market price. Companies that choose equal price points to their competitors typically try to differentiate themselves by doing things like creating unique shopping experiences or offering more attractive product alternatives (for example, using sustainable materials or manufacturing processes to appeal to an environmentally conscious audience, etc.).

1- Price Matching: When companies are unable to collect, analyze and act on competitors' price data or fluctuations in a timely manner, price matching is another competitive pricing strategy. Companies that offer price-matching options to their customers can remain competitive in their markets without having to closely follow their competitors' pricing strategies, or constantly update their Point of Sale (POS) system or e-commerce store.

4- Benefits of Competitive Pricing Strategy, Jul 30, 2019

https://www.retailtechnologyreview.com/articles/2019/07/30/the-advantages-of-competitive-pricing-strategy/

Advantages of a Competitive Pricing Strategy: Implementing a competitive pricing strategy for business helps grow the business. The results of a competitive pricing strategy usually appear after a short period of time. Assessing the long-term effects requires the business owner to have the ability to effectively understand the overall trend, and their position in the industry.

Enriching your knowledge of your industry and related competitors can allow you to make a better business decision, which in the long run can increase your chances of success in the business world.

It also provides you with a higher rate tool for global insights on your competitors, in addition to tracking the range of your competitors' products or services and their prices over time, for continuous analysis. With this tool, you can monitor and control prices and make changes to them accordingly.

Preventing market loss: Competitive pricing analysis allows a business to regulate competition by preventing loss of customers and market share from competitors. By making prices similar to your competitors or even cheaper, consumers will be less inclined to switch from your brand or choose your competitors' products/services over yours, thus allowing you to maintain your market share. Monitoring competitor prices allows you to respond to every move your competitors make, which can further help in better positioning your business

2- Profit Margin Improvement: A competitive pricing strategy does not always mean that one should lower their prices, or pricing at the lowest point in the market. Sometimes pricing in the middle of the range, relative to competitors, works just as effectively and doesn't significantly affect your bottom line.

Another factor to consider is whether your product or service is price-flexible; This means that a price change will have a significant effect on demand as consumers are more sensitive to price. This knowledge can give you a better idea of whether you should increase or decrease your prices to stay competitive while competing in a price war.

3- Dynamic Pricing: Dynamic pricing is at the forefront of competitive pricing analysis methods. With the help of dynamic pricing, information about competitors' pricing strategy can be frequently obtained. This improves your ability to compete in the market as well as increase profits. This is one of the most

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complex and beneficial approaches to competitive pricing, which can be used as a catalyst to update your own pricing, and can take business growth to the next level.

4- Efficiency: A competitive pricing strategy can be made more efficient if it is combined with many other pricing strategies. If one wants to maintain any profitability with this type of strategy, investing in a price comparison tool is essential. Using price tracking tools will give you effective access to information that your competitors would otherwise find difficult to collect manually.

The second topic

First, the pricing strategy

What is the price and pricing?

Many studies have identified several strategies for pricing products (physical, service), before addressing the subject of pricing strategy. We know the price.

Price is the price that determines the value of a particular product or service in a monetary manner M1 (Al-Mousawi, Muntazer, 2019: 1).

The price is one of the important elements of the marketing mix, and it has a significant impact on sales and profits for organizations, especially those organizations that seek to make a profit. Which enables the organization to pay values for the above productive elements, and the price has many labels, all of which express the financial value, the service or the idea it provides, and below are the price labels and their meanings in a summary form M2 of them (Aqili, Omar Wasfi and others, 1996: 140)

1- Rent: Fees paid for the use of someone else's property

2- University fees: the fee paid for the education service

3- Fine: for the violation

4- Commission: in exchange for facilitating the exchange process

5- Salary: against the recipient for human effort per month

6- Daily wage: in exchange for the recipient's daily human effort (prepared by the researcher / Aqili, a previous source)

The difference between price and pricing can be determined by:

Price, according to the viewpoint of economists, is the exchange value of a good or service expressed in monetary terms, i.e. the value of the product in monetary terms.

- Price from the point of view of the consumer: the total benefits that are expected to be obtained from the use of the commodity or service m3 (Wikipedia, the free encyclopedia, 2022: 1).

There is a direct relationship between product quality and price, the higher the quality of the product, the higher the price, and this is due to the link between quality and more cost elements, in addition to the fact that the higher price generates a certain position among consumers, as they realize high levels of quality at high prices. Ribhi Mustafa: 165-166).

The objectives of the organizations differ among themselves, and the objectives of pricing also differ for the organizations, due to many reasons specific to their circumstances, the nature of their products, the nature of prevailing competition and market trends, and in general, the importance of the price can be determined. 2007:226)

Importance of price and pricing:

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The importance of price lies in considering the only element in the marketing mix that brings revenues, and the rest of the elements bring an increase in costs (M7) (Kotler, 2006, 53)

- The price for the company is an important factor in covering the costs of carrying out various activities, whether it is related to non-marketing activities (work, management, research and development, raw materials or product marketing activities, promotion, pricing, distribution) to achieve the total return and thus calculate the profits verified

There are many researchers who have identified the importance of determining the price of products (material, service), including M8 (Naseer, 2009, 101) M9 Mualla, Tawfiq, 2005, 210 (M10) Al Bakri, 2006, 171

a. Price is one of the easiest and fastest elements of the marketing mix to change or modify, because it corresponds to demand or the actions of competitors.

B. The high price is an indicator of quality from the point of view of a group of consumers. Some studies have shown that there is a relationship between price and quality. Pricing policies and their impact on customer satisfaction with the commodity.

c. There is a relationship between price and the amount of revenue, and it is a generator of revenues and profits, while the rest of the elements are costs, and this matter is a focus of great importance to the organization. If it does not achieve certain revenues and profits, it will not be able to continue in the market.

Dr. Competitive prices rank first in terms of difficulty and problems faced by the marketing manager in organizations and because they have a significant impact on the organization's sustainability and continuity.

And after we have determined the importance of price and its impact on the organization and on the market share. Therefore, pricing decisions are among the most important organized decisions, as they are related to the conditions related to increasing technological progress, increasing global competition for some raw materials, energy, and finally competitors’ attempts to obtain the largest share of the market share from Low price road m11

(Clarek & Phadke, 1995: 22). The pricing process is part of a comprehensive strategy for the organization, as it includes the organization’s objectives, growth rate, market share and profits. These aspects are not always compatible with each other, but the process of alignment between them is a major problem. C12 (Kotler, 1997: 498) Because of its importance, we review the subject of pricing strategy in some detail in terms of its definition, importance, characteristics, factors affecting it, and the risks of choosing a pricing strategy.

pricing system

The pricing system is based on three methods: M13 (Al Bakri, 2008: 352), M14 (Abu Fara, 2001, 120):

a. Buyer's price: It refers to the amount paid by the buyer after excluding all forms of withholding value added tax. This price includes transportation costs paid by the buyer and the price includes all costs of demand or intermediate use in the input and output tables.

B. Product price: Refers to the amount received from the product and paid from the buyer minus any form of value-added tax paid from the buyer and excludes any transportation costs incurred by the product. This price is used to evaluate all outputs or products.

c. Basic price: It refers to the amount received from the product and paid from the buyer, minus any tax

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paid, plus any subsidies received, excluding transportation costs charged to the product.

pricing strategy

Defines pricing strategy: It is the strategy used by companies or organizations to reach the price of a product or service, taking into account the percentage of profits, shareholders' restrictions, consumers' purchasing power, and competitors' prices.

As for the pricing strategy in marketing, it is known as the methods of finding the competitive price determined by companies or organizations for their products or services, where the pricing strategy works with other marketing strategies, which include both product, place, promotion and price, and the pricing strategy aims to determine the optimal price for products and services in order to achieve Profits and revenues, and through the use of a successful pricing strategy that focuses on studying the market and determining the price that the consumer is willing to pay, which will achieve the organization’s goals, high profits and increase the market share in the market M16 (Al-Ahmad, Mays, 31/May 2022 https://mawdoo3.com/).

Types of Pricing Strategies in Marketing

P17(Jesal,2021,1) mentioned several types of pricing strategies in marketing for products or services:

1- Market Penetration Pricing: Penetration pricing strategy (pricing strategy to gain market share) is defined as companies entering the market by offering some of their products or services for free or at a very low price for a limited period with the aim of creating a base of consumers in a particular market and attracting customers to it.

2- Economic pricing or low pricing: The economic pricing strategy (low price) This strategy is suitable for organizations or companies that want to increase sales in periods of economic stagnation, and the pricing of products at a low price where the process of promoting and marketing the product takes place at the lowest possible cost, enabling it to offer its product at an economic price For a limited period and after a certain period, the company does not have to promote the product again.

3-Psychological pricing strategy

This strategy depends on the analysis of the emotional and psychological response by consumers by making the product price suitable for the consumer.

4-Product pricing: Product line pricing is defined as the pricing of a group of products and services together which helps to attract more consumers.

5- Optional product pricing means the company's pricing of certain products at a low price in exchange for the pricing of another product or service at a high price.

6- Promotional pricing: Promotional pricing is a marketing strategy used by companies or organizations for a specific product by putting it on the market with a discount on the price or coupons and gifts offered by the company when purchasing the product by the consumer

7- Pricing based on geographical location: Companies use sometimes change the prices of their products based on the different geographical location of the product to sell, for various reasons, including the scarcity of the product in a particular place, the cost of shipping the product and others.

8- Pricing by value Companies resort to pricing products by value as a result of external factors that affect their products such as competition and economic recession.

9- Pricing distinctive products: Pricing products at a high price due to their competitive advantage in the market. An example of this is the high pricing of precious jewelry.

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In addition to the above, pricing strategies are the approaches that organizations use to price their products and services correctly and in line with the current demands of the market. By brand or product (https://www.annajah.net/)

There are many researchers who focused on two main strategies and identified market conditions for them by identifying specific features of these conditions:

A- Skimming strategy

B- Penetration Stralgy

A- Skimming strategy: It is the strategy adopted by many marketers, especially if the demand is for the product. There is no sensitivity of the consumer towards the price. The marketer enters the products in the market at high prices in order to achieve the highest possible benefits for the unit and as soon as possible.

B - In light of the availability of shopping conditions and high prices, it gives the impression to the consumer that the products offered in the market are of a high quality level, and therefore the use of this strategy in light of the marketing conditions has a relative flexibility of demand for those goods, which allows the organization the opportunity to set prices high, as well as coordination And cooperation between production departments and cost centers in the distribution system approved by the organization, p. 18 (Philip Kotler, 2006, p201).

B - Penetration Stralgy: This strategy is used when the organization has the ability to reduce the prices of its products at a level lower than that of competitors in the same market, which can increase the market share M19 (Al Bakri Shamer / 2007, 37)

This strategy is applied under the following shopping conditions:

1- The presence of sensitivity of individuals dealing with these products to the direction of prices

2- Adopting this policy will create obstacles to the emergence of real competitors in the market

3- There is a difference between the accumulated experiences of the production department and cost centers in the distribution system approved by the organization, M. 20 (Khattab / Atef Muhammad / 2007/)

Several researchers identified (P.21) Khalil, Nabil Morsi, 1996, pp. 84-82 (P.22) Gore and Murrage, 19992, p40,41 (P.23) Philip Kotler, 2004, p1):

Components of a competitive strategy, i.e. (competition method), including:

Competitive method: the way in which the organization competes to choose the appropriate strategy for it

A- product strategy B- location strategy C- sourcing strategy

c- pricing strategy

1- The competition circuit (where is the competition), that is, by targeting the consumer market and competitors, the basis of competition

2- The basis of competition: is what the organization possesses of human, material and financial resources to achieve a competitive advantage.

The appropriate competitive strategy is determined by M24 (Al-Arif, 2000, p. 69):...:

A- Determining the characteristics and foundations upon which the commodity is built, such as quality / size / degree of complexity .. etc.

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B - Identifying the competitors' chosen strategy and classifying them into groups for the purpose of determining the appropriate competitive strategy for it.

The pricing strategy is one of the most important strategies as it determines the activity of competitors, the market situation, market mechanisms, direct costs, and indirect costs of products. Competitive advantage and its continuity through the exploitation of all material / financial, human and technical resources and opening the door for innovation and creativity for its workers to achieve the goals set for it.

Porter categorized three competitive strategies and called them generic, which helps to determine the organization's position in the industry, and called it public because all projects adopted by organizations, regardless of whether the organization is industrial or service (non-profit) M25 (M, porter, Lavantage…1997, p25) The general strategies are:-

A- Low cost leadership strategy: The organization’s ability to produce at the lowest costs if compared with its competitors, through improving productivity and controlling costs and eliminating unnecessary activities from them. Initial rates at low prices, availability of sufficient financial cash .. etc.) and one of the main features of this strategy is M26 (https://motaber.com/cost-leadership/)

1) It is easy for competitors to imitate the methods used to reduce driving costs

2) Competitors' ability to find production methods at lower costs

3) Competitors follow the policy of savings in labor costs

The disadvantages of this strategy are:

A - Ease of imitation competitors were mentioned above

b- Focusing and paying attention to the internal processes and exploiting them in a very large way, which increases the awareness of the market needs and the ability to collect.

There is a set of competitive risks from following the cost strategy, which are as follows:

1- Loss of competitive advantage in favor of new technologies.

2- Failure to notice changes in customer needs.

3- The failure of competitors to imitate this strategy P26 (Sarsar, A Fatima, 2016: 239)

1- Excellence strategy: the organization’s ability to produce goods and services of greater value than the goods and services of other competitors, and to achieve excellence through the availability of characteristics for goods, including quality, design, quality, brand technology...etc. of the features that distinguish goods and services, which attract customers and consumers and earn their trust.

The most important features of the Excellence Strategy are:

A - Provides price-raising opportunities based on customer loyalty and product excellence

B - Provide a framework of behavioral protection for the organization by giving the mental image of customers

C- Increasing customer loyalty to the product M27 (Al-Rikabi, 2004, 163)

2- Focus strategy: It provides needs from a specific product or service to a specific market for a group of consumers or customers, whether they are individuals or organizations of their own.

The most important strategic areas of focus in achieving competitive advantage:

A- Costs and risks reduce the consequences of the consumer as a result of his purchase of the commodity

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B - The organization offers a product that is unique or distinguished in performance compared to the products of competitors.

The most important forms of focus strategy are:

A- Market development: Development is represented by expanding a market or market share for products and entering new markets at the global level.

B - Product development: through making improvements to products, which add new features to the product.

C- Horizontal integration: through the organization's acquisition or purchase of some new units and control over satisfying consumers' desires and exploiting new investment opportunities with the aim of reducing competition and thus achieving efficient integration and control and control over the market (Smalali Yehdih, 2004: 24).

Second: Competitive advantage

Competitive advantage is a real revolution in the world of business administration at the academic and scientific levels. Academic is a continuous dynamic process aimed at addressing many internal and external factors to achieve continuous superiority over competitors, suppliers, buyers and other parties that deal with it, and it is a permanent attempt to maintain the balance of the organization towards other parties in the market Which achieves superiority temporarily or short-term, but on the practical level managers need to work continuously through continuous research and investigation to maintain an investment in the competitive advantage of the organization, which has increased the importance of this concept in today's world with the intensification of conflicts, global trade and competition, which necessitates organizations to change itself in the market.

Competitive advantage can be defined: it is finding a single advantage by which the organization excels over competitors, which makes this advantage unique and distinct from other competitors who work in the same activity.

M (29 MAY, 2022:1 T, AL EXANDRA, WIN, 22 MAY)

Contrasting concepts of competitive advantage, it has been clarified:-

P. 30 (Pitts and lei, 1996, p70) A specific understanding of competitive advantage: the business organization's exploitation of internal strengths, which generates value that competitors cannot achieve in the performance of their activities.

It can be defined as the means by which an organization can distinguish its product or services from competitors

These two definitions refer to the organization's ability to formulate a mission and strategies that make it in positions of distinction from other organizations operating in the same sector, through the exploitation of its capabilities and resources (technical, material and human), in addition to opening a door for individuals to innovate and create, which increases their knowledge capabilities and competencies., enabling it to apply its competitive strategy, thus achieving the competitive advantage, and this is linked to achieving the competitive advantage with:-

1- The perceived value of the customer 2- The organization's ability to achieve excellence

Criteria for judging the quality of competitive advantage:

There are many criteria for judging the quality of competitive advantage, including Article 31 (Abd al-Rouf, Hajjaj 2006-2007: 5).

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1- Feature source and includes

A- Low cost (labor force, raw materials)

B - high cost (the use of high technology in the manufacture of products)

C- Good reputation of the brand

2- Several sources of advantage that the organization possesses

3- The degree of continuous improvement, development and renewal in the competitive advantage

The main factors on which competitive advantage is built

1- Efficiency 2- Quality 3- Responsiveness to customers 4- Innovation

While P33 (Porter, 1985, p35) considers the organization as a single unit, and many activities arise within it, including the product:

1- Product design 2- Product marketing 3- Delivery methods to the buyer

Each of these activities creates a competitive advantage for the organization in terms of minimum cost or differentiation. The interaction of these activities in scientific ways is necessary to analyze the competitive advantage, while M34

CFI CFI Team,23,2022,2

The above team focused on using the strategy on (constraint of cost, differentiation and focus), which helped it raise its level of performance for other organizations that use more than one strategy.

Competitive Advantage Characteristics:

Competitive advantage has a set of characteristics that must be present in order to be considered a competitive advantage. There are many sources to determine it, including I. 35 (Dr. Taher M. Mohsen Mansour Al-Ghalbi, Wael Muhammad Subhi, Idris 2009, p. 311):

1- The advantage should be renewable according to the requirements of the external environment and the capabilities of the organization and its internal resources.

2- It should be flexible, that is, it can easily replace competitive advantages with others, according to changes in the external environment and the development of internal resources and decisions of the organization.

3- It must be continuous and sustainable in a way that achieves its merit in the long term and not in the short term.

4- That the competitive advantage has a relative character, that is, it can be compared with competitors, which makes it absolute for competitors and difficult to achieve in their organization.

Sources of Competitive Advantage: There are many sources identified by researchers in determining the sources of competitive advantage, and the most important of these sources are I. 36 (Al-Darwish, Mustafa, 2013: 37).

1- Creativity 3- Knowledge

2- The time 4- The general environment of the competition

5- Sustainable competitive advantage

Article 37 (Abdel-Raouf, previous source: 50) has identified a number of advantages, the competitive

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advantage, depending on the strength of the multiplicity of its sources to:

A- Competitive advantage resulting from the best practices of the organization in a number of areas, including:

1- Best practices in human resources

2- Best practices in production and operations

3- Best practices in supply and preparation

4- Best practices in marketing and sales

b- A competitive advantage resulting from a few and weak resources in the organization, including:

1- Designing the product with low cost 2- Purchasing cheap and low quality materials.

Researchers take each of the sources to determine the competitive advantage and emphasize the source of the sustainable competitive advantage as a strategic goal for the organization.

Source of sustainable competitive advantage (Nicole p. Hoffman 2000, p8 39) Competitive advantage has become a strategic goal, as organizations face a great challenge to maintain their continuity to achieve long-term returns, which has emerged as the term sustainable competitive advantage, and this is related to the organization's ability to maintain it for a relatively long period, as well as If the organization applies a strategy that allows it to create value, and at the same time, current and potential competitors are unable to implement it and achieve the same returns from this strategy.

One of the most important definitions of sustainable competitive advantage, as he defined it as the implementation of a value-creating strategy that is not imitated, which cannot be imitated in the future by any current or potential competitors and when other organizations are unable to replicate the benefits of this strategy. That is, it is the unique position that the organization develops towards its competitors M40

(Huang, K. F., Dyerson, R., Wu, L. Y., & Harindranath, G. 2015: Pp.617-636.)

The importance of an organization gaining a competitive advantage

The importance of the competitive advantage lies in the achievement of many advantages, represented in 41 (Porter M. E, May/Jun 1990, P:1.)

1- It enables the organization to achieve high returns for a long time

2- It enables it to achieve a larger market share in the market

3- Ensuring the loyalty of customers and improving the reputation of the organization in their minds

4- Ensuring the organization's survival and continuity for a long time.

Indicators of competitive advantage: There are many indicators that are used to indicate that the organization possesses an advantage of competitive advantage over other organizations, including (P42).

(Gomes, J & Romão, M. J. (2018). Pp. 5714-5725)

High profitability / large sales volume / share value of the organization is high / market share is large / consumer satisfaction with organized products is high and the variety of products offered by the organization in the market is large.

The effect of pricing strategy on competitive advantage:

Pricing is one of the most important and complex marketing decisions, due to its great importance in defining the marketing mix, and it has an impact on the organization's sales objectives and achieving

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competitive advantage as one of the main tools used for the compatibility process to achieve strategic goals. Determining the target party, marketing and financial objectives, determining the activity of competitors, setting the market, determining direct and indirect costs, and employing all the financial, material, human and technical resources of the organization, in addition to using the advantages of the policies, the low-cost leadership strategy, the policy of focus strategy, or the policy of the strategy of excellence in order to achieve the organization a wide market share in the market In order to achieve the highest returns, and thus achieve competitive advantage and consumer satisfaction, which ultimately serve the strategic objectives of the organization, which are indicators of competitive advantage, in addition to the impact of choosing the pricing strategy on the competitive advantage. Marketing distribution, etc.).

Analysis of the results

Pricing strategies affect the competitive advantage, as the calculated F value reached (166), which is much greater than its tabular value, which indicates the existence of a statistically significant effect. Moreover, the slope coefficient value of (0.88) indicates that increasing pricing strategies by one unit will increase Competitive advantage by 0.88, which is confirmed by the coefficient of determination R2 amounted to 0.3, which means that pricing strategies explain 3% of the changes in the competitive advantage, while the remaining 64.4% is due to other factors that were not included in the model or factors that are not controlled.

The results of the impact of pricing strategy on competitive advantage

Competitive advantage							
	T		R 2	F	B	A	
	12.77		0.3	166	0.88	2.31	)Pricing StrategiesX (

Conclusions and Recommendations

Conclusions

The level of pricing options in the company's general directorate is generally good but not ambitious.

The research found that there is a significant correlation and effect between pricing options and competitive advantage in the General Company's Directorate.

The level of competitive advantage in the General Company's Directorate in general is good, but not at the level of ambition.

Recommendations

The research recommends trying to apply the research model and actually introduce it into practice and develop it, because the results showed correlation and influence between the research variables.

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