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Correlation between Differentiation Strategy and Cost Leadership of Private Energy Businesses in the Sulaymaniyah City of Kurdistan Iraq.

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Abstract:

This study is concentrated on the correlation between two of porter’s general strategic strategies which are bringing leadership and isolation strategy and how it's related to the contending advantage in the private power businesses in the megacity of Sulaymaniyah in the Iraqi Kurdistan area. A quantitative system has been applied for analysis and an aggregate of 100 questionnaires was distributed among the directors of every order of all the private power businesses out of which 93 responded. The first part of the exploration is determining the positive relationship between the cost leadership and contending advantage, other part is concentrated on determining the possibility of a positive relation between isolation strategy and contending advantage. If we see the issues after the different analyses of the first hypothesis. The value of beta B is0.691 for cost leadership which means it's prognosticating the competitive advantage. Therefore, it supports our first thesis. After viewing the results of the analysis of the alternate hypothesis. The value of beta B is0.130 for the isolation strategy which means it's also Prognosticating the competitive advantage significantly

Keywords: Private Energy Businesses, Porter’s Generic Strategies, Competing Advantages.

Introduction:

The present organizations are quickly advancing; the global business climate has formed a complicated business environment that expects thought to authentic serious competition. Cost Leadership is the first part of the examination and differentiation techniques are the second. Then each part’s relation with the competing upper hand would be examined. The generic policy of porter is a fundamental point of accomplishing supportable competing upper hand (Murray 1988).

Since the private energy sector has been profitable, investors are likely to invest in it. Investors take full or part of the share of any process of producing the energy. It depends on the region and their need for energy. Energy plays the important role in the economy of any country. Industries, local businesses and domestic businesses depend on it (Martin 2020). Developed nations are rich in their power sources and their industry is developed. International industrial trade is affected mostly by the country's energy sources. The developing countries are also paying heed to improve their economy and the primary thing that they face is the energy crisis.

Mostly developing and under-developed countries are facing an energy crisis. To improve their economy, the governments of such countries are trying to meet the energy crisis challenges. Iraq has been rich in its oil and gas resources. The other sources which can be used are wind and solar energy since the Iraqi Kurdistan area is hot in climate. Due to the wars, this area is affected badly and now it requires the necessary measures for its economic growth (Guide 2020).

The Kurdistan area of Iraq is relatively safe and more advance than the other parts of Iraq. This area is rich in its oil and gas resources. Many private oil companies are working in this region. There are still more contractors laying business and investing in this sector like solar panels, wind turbines etc. This region has the potential of becoming developed due to its resources. The oil and gas companies are still operating and this region has improved from the energy crisis. But the solar and wind turbine projects are proposed and some need approval, some are under construction by international companies. There are more than 50 private energy companies overall including all sources like oil and gas, solar, wind and electric (Iraq Business News 2022).

The electric power stations are mostly under the government so they are not included in the private energy sector. Our main focus is on the Sulaymaniyah city of this region. The above discussion was about the whole Kurdistan region. Cost Leadership, one of the main porter's strategies and differentiation techniques which is second, are used and how they are related to competing for advantage (Porter 1985). The more reliable and economical methods would produce power at lower costs and help the country.

Consumers can get more profit from their productions and businesses if they get cheap power. If the methods are changed by using the latest literature on sciences and technology then the power can be produced using minimum resources and maximum utilization. Cheap power production also helps the country's economy and growth (Masterson 2021).

There are two huge subjects which could be coming about because of past conversations that could be employed to expand on the methodology of Porter. To start with, energy organizations ought to separate among requests and repository the edge of their upper hand. Furthermore, the Nonexclusive procedures by Porter are not decisive on their own. For perceiving competing techniques along with the circumstance of any particular trade, one’s business ought to consider distinctions and relations among the interest and repository edge of any likely upper hand (Eonsoo Kim 2004).

The hypothetical system sets up in this exploration as per the writing is for the most part managed by industrialized nations. However, the observational part of this examination executes in the Kurdistan area of the nation Iraq, to explore how much this sort of structure may be carried out to a private power sector. To achieve the principal research targets, the hypothesis of porter's conventional procedures (cost administration and separation) and upper hand advantage has been set up from before concentrates in this field, likewise grouping and consolidating these related ideas in the writing (Datta 2010).

The nonstop moving of the ecological factors of any corporation gives recommendations, if the energy business is firm and sturdy then it would want for supporting and achieving the upper hand in the competing climate of business. A perceived critical element which characterizes energy businesses' feasibility and achievement in the business is the upper hand. Each firm is projected to enjoy a specific upper hand over its opponents for supporting the commercial centre in a specific period. However, in future, there may be hindrances in maintaining along with accomplishing the upper hand for organizations. Subsequently, energy organizations genuinely must consider these sorts of obstructions to speed up development and achieve their principal objectives (Hashem Valipour 2012).

The study is focused on two objectives:

OBJ 1: Understanding of the main working principles of porter's generic strategies and contending advantages.

OBJ 2: Picking out the practical strategy for appealing to more investors

Research Gap:

Due to the political issues, the Iraq region has suffered an economic crisis. Now it is settling up and foreign investors are investing in Iraq, especially in the Kurdistan region. This region is still developing. Until now no research is done in this field. Private energy businesses are still developing and there is a need for more improvement.

1 Literature Review

1.1 Power Sector

It is a category of trade which is connected with creating, or with providing power. Industries and corporates in this area are engaged in the investigation and advancement of natural reservoirs, refining or penetrating facility for underground reservoirs. Energy business likewise incorporates coordinated power service organizations like sustainable power and coal (James Chen 2021).

The energy area is a huge and comprehensive expression which depicts the whole wide and perplexing interlinking of corporates, straightforwardly along with implication, associated with the creation and dispersion of energy expected to control the economy and work with the method for creation and transportation (Kristen Martinus 2015).

The organizations inside the energy area are associated with different sorts of energy. Generally, energy organizations are regularly classified given how the energy that they produce is obtained and will commonly be categorized as one of two classifications:

Renewable sources:

1-Sun using solar panels

2-Water using Dams

3-Garbage for producing biofuels like ethanol

4-Wind power for running turbines

Non-Renewable sources:

1-Crude Oil and products extracted from it like petrol, diesel etc.

2-Natural gases and minerals

3-Nuclear power sources

The energy business likewise incorporates auxiliary sources like power. Energy costs alongside the profit execution of energy makers are generally determined by the organic market for overall energy. Oil and gas makers will more often not act thriving in the duration of inflation in oil along natural gas costs. Nonetheless, organizations in this field procure less if the cost of products related to energy declines. Oil purifiers, then again, benefit from the falling expense of feedstock to deliver oil-based goods like gas when unrefined petroleum costs drop. Besides, the energy business is subtle to political occasions, which generally have prompted unpredictability or wild changes in the cost of oil (Bank 2021).

1.2 Types of Power Sector Companies

Types of Power Sector Companies

The following are a portion of the feathers of associations in the energy business and each of them plays a significant part in transporting associations along with purchasers with energy. The main purpose of oil and painting companies is the pulling out oil painting and natural gas from the ground by drilling. Also grazing the piles of coffers for request. In Refining and Pipelining the crude product uprooted from the product point is transferred to the refinery to produce useful products from it like petrol, diesel etc. Corporates in this area are generally known as mid-process Providers. Mining Corporates include the corporates responsible for the mining of underground coffers like coal. Since coal is used as a product of power so it's included in the energy sector area. Chemical assiduity produces crude oil painting products into further useful chemicals for the production of energy and for use in powering the outfit.

1.3 Competing Strategies

Fostering a viable cutthroat procedure is critical for a business to figure out a wide act of the business, deciding a compelling business objective or put forth objectives, and how to get and maintain its upper hand advantage (M.M 2012).

Technique or Strategy is typically known as a framework of huge choices that impact a business' presentation, directs and keeps up with the connection between business and climate, and impacts inside cycles along with the construction of the whole firm (Sumer 2012). Competing technique in numerous ways is centred around how any corporate would secure its position in a competing business climate which empowers that corporate for winning the upper hand against its rivals (M. Porter 1980). For any corporate, it is necessary having a compelling technique, for dealing with present circumstances as well as a future rivalry (Peters and Zelewski 2013).

Different techniques are available as per conversation of the current writing and past investigations; a principal strategy is an approach based on market position and the subsequent strategy is an asset-based methodology. The above-mentioned two strategies play a fundamental role in the current market circumstance and also in a future contest in the commercial centre. (OTIENO, BWISA and KIHORO 2012) It expressed that the approach on basis of the market position of any business in a commercial centre entirely is on its present position and competing climate.

Talking about strategy on basis of market position, the analyst hinted at effort towards competing methodology that he advances basic ideas introduced in a past review, (M. Porter 1980) he obviously sees the rule of forming technique as connecting the trading towards its commercial centre and also it is reviewed as an effective prime component of organization or industry's climate.

The primary contribution of this study is to explain the two bearings of acquiring and supporting upper hand advantage; the principal course is the point at which any commerce either executing expense chief in the commercial centre or at which moment the commerce is carrying out separation by utilizing their administrations along with items in the commercial centre. The work of Porter and his methodologies are discussed in prior studies and affirmed. (Murray 1988) (MILLER and DESS 1993) (D. MILLER 1992).

The subsequent strategy is the asset put together methodology that concentrates on the business drawn-out advancement and capacities for likely rivalry. The asset-based strategy thinks about the upper hand against rivals in business climate as the perspective of likely possible "common competing ability", (WRIGHT, et al. 1991) (J 1991) talks about this strategy, it says that any business is contemplated as explicit assets' bundles or link to them, that are located for positioning any organization in competing for business environment and those are "isolating procedures" – it refers to those secret centre resources or capacities, for example, business notoriety, exclusive information… and so on, which is consistently not associated with an assistance/item which results and prompt support and gain upper hand (FURRER, et al. 2008).

1.4 Competing Advantage

Inside any industry or area of work, each corporate needs the upper hand to effectively keep up with its situation during the explicit season period. The upper-hand advantage is a component that helps any corporation for being more practical or beneficial than other corporates (HAWKINS and MOTHERSBAUGH 2010). The idea for better exhibition requires a corporate for increment along with winning a benefit, it is vital for a present-day key way of thinking (ADINOLFI and DEROSE 2011).

Competing upper hand advantage alludes to factors that permit an organization to deliver labour and products preferable or all the more efficiently over its opponents. These variables permit the useful element to produce more deals or better edges analyzed than its market rivals. Upper hands are credited to an assortment of elements including cost structure, marking, the nature of item contributions, the appropriation organization, protected innovation, and client care (Twin 2021).

An upper hand competing for advantage is a property that empowers an organization to beat its rivals. This permits an organization to accomplish better edges looked at than its opposition and produces an incentive for the organization and its investors. A competing upper hand advantage should be troublesome, on the off chance that certainly feasible, to copy. Assuming it is effectively replicated or imitated, it isn't viewed as a competing upper hand advantage (CFI n.d.).

A business requires a compelling and reasonable competing system that could help it with the capacity for accomplishing along with supporting of competing upper hand, competing upper hand could be characterized as the capacity of business to choose for contending using consolidating numerous practical region choices (AWADE 2014). Organizations could accomplish their competing upper hand advantage through partnering methodology to the inner elements of the whole business or/and the outside elements.

Subsequently, the achievement of competing upper hand advantage may be seen from different points. Two fundamental techniques for achieving a competing upper hand advantage have been contended in this examination. The primary strategy covers that the business' wellspring of competing upper hand advantage is as indicated by the highlights of the industry also the business' circumstance or current situation in the commercial centre inside through the choice of generic methodologies (M. E. Porter n.d.).

This technique examines that the business could accomplish and win its upper hand through giving a bunch of various items/administrations or minimal expense administrations/items, or through serving a particular market division. Subsequently, the upper hand in using this strategy is credited more and perceived to outside elements rather than to the business' trademark skills along with asset-build organizations.

In terms of the view of the subsequent strategy, a business is viewed as the ability of the business as well as its assets and wellsprings of competing upper hand. One strategy explains the value of competing outcomes in business, and another strategy depicts powerful highlights of business conduct and focuses on the development and type of business assets. Taking, for example, numerous assets can be used in numerous items trade; in the interim, items or administrations may require the assistance of various assets.

These techniques, items trade and asset-based, address both elements: which are interior variables and outside components investigation which are defined and characterized by the previous researchers as compelling system definitions (WILKIE, JOHNSON and WHITE 2010).

1.5 Porter’s Generic Strategies

It gives the three styles for any business to maintain and contend with the marketable request. For a business's survival attaining any of these two is essential else the business would halt in the centre without making any progress and ultimately lead to a lower advantage (M. E. Porter 1985). These are:

1-Cost Leadership

2-Differentiation

3-Focus-based tactics

1.5.1. Cost Leadership

It is one of the wide generic methodologies for any business to hold (HUNGER and WHEELEN 2011). Price administration incorporates being the most minimal expense maker in the industry though keeping normal degrees of separation. The method for achieving this benefit is unique, depending on the business' construction, the quest for wealth scale, permission to the item or cycle innovation and the method for getting admission to natural substances.

A methodology of the cost initiative is most noteworthy viable in steady and unsurprising conditions, in the interim conditions that are for the most part probably will change or un-certainty will produce extreme diseconomies for industry endeavouring to execute an expense authority technique (Miller D 1986a). An effective business that can maintain and achieve generally speaking expense initiative will be a better-than-expected player in the commercial centre.

Two huge highlights of this system could be explained here. To begin with, when a business is turned into a better-than-expected player in the commercial centre, an expense chief ought to accomplish correspondence or practically in the wellsprings of separation similar relevant rivals. The secondary perspective for any trade is to make and keep up with the most elevated result, for wellsprings of expense upper hand one should try impersonating and imitating different organizations (J 1991).

An outcome for this situation can be a technique that could be named "cost succeeding”- it is a method of decision making in which any other circumstances are viewed, in addition, to simply cost authority. (KISAKA and OKIBO 2014).

Concentrating on the writing of procedure, focused on the idea of cost initiative coordinates fluctuations in the strategy in which it very well may be perceived. The expense administration technique isn't so certain whether or not it is connected with the item's cost. If assuming a pioneer accomplishes identicalness as per separation, for this situation the value side will continue to address. (HOFFMAN 2000)It draws the viability of conventional techniques to different natural elements and relates buyer's value care to the practicality of a cost initiative procedure. A viable relationship between low cost and an expense initiative procedure to price value fulfilment and notices that chiefs who use the "cost authority" methodology are likely to challenge the base natural change and uncertainty (MILLER and DESS 1993). They search out buyers who take the price value needed rather than the composition of the item. Moreover, competing cost values are incredibly connected with cost administration (D. MILLER 1992).

While creating price value vulnerability raises the benefit that an expense chief may have over different contenders, price value vulnerability is a fundamental consideration that doesn't convey satisfactory clarification for taking on an expense authority system (MARTA PERIS-ORTIZ 2015). Additionally, their thinking of this is there is a variety of techniques for price arrangements for corporates but the primary characteristic would be that it cannot be followed and is unique (BORDEAN, et al. 2010).

A related topic is focused in (COYNE 1986) investigate; In this topic, it is stated that there are two angles. One is distinct and apparent and the other is the non-noticeable angle. Customers can see the change in the price of the product in the market which is a distinct apparent change and is visible to purchasers. Another change is corporation change, which includes internal matters and plans for price competition, it is not visible to purchasers.

A certain issue arises if we talk about the cost authority administration. It is taken in a different sense. It can be in the form of cost control by the shoppers or the provider's side. Another angle is it can be cost reduction from the demand side of items. All the previous discussion leads us to the main hierarchical and ecological factors that can make a situation, for enforcing the initiation of the cost procedure. Additionally on the off chance that a separation technique is taken on, doubtlessly it will achieve different outcomes for cost control and price value rivalry in different situations of the organic trade market and their networks. (MAHDI 2011).

The Cost Leadership technique is that - it includes being the forerunner as far as cost in your industry or market. Essentially being among the most minimal expense makers isn't sufficient, as you leave yourself open to assault by other minimal expense makers who might undermine your costs and along these lines block your endeavours to expand your share of the market (Team n.d.).

1.5.2 Differentiation

Now the content under view is the alternate fashion of experimenter Porter. Having a fresh Upper hand advantage over the rivals only brings leadership isn't helpful because the rivals also know the Ways for cost operation. This fashion will be helpful for the business to maintain in the Contending terrain. Separation or isolation procedure depends on the idea that business. Fashion is unique and remarkable and is esteemed by the buyers. This trademark is depending on the degree of focus included. Secerning an expenditure action methodology may include that there are formerly further than one fashion working presently in commercial according to circumstances.

For the achievement of any separation procedure, there might be different ways and means for it, for example, the opportunities of the industry, geological location or means of transportation it uses along with the items they are using, and also how they brand or showcase its items. The reason behind the separation system is to create administration or an item that is viewed as special according to the buyers' perspective.

Separation technique much of the time incorporates; the juncture of various unstructured showcasing issues, the responses contender and unanticipated buyers and current advancements. A viable separation system is habitually expensive, with the idea that a separation methodology ought to support costs with different contenders.

If any business invests money to be different in its services and products, it would serve it in a better way, plus the outcomes would be distinctive. Successful separating techniques, thus, accomplish more prominent returns by premium evaluation. To keep a separation needs impersonation's boundaries by rivals and a supported offering some incentive to buyers. However, separation methodology is a topic of various explanations (KIIRU 2014).

Three issues fields could be arranged. In the first place, here and there more than two or two separation techniques may be happening or exist. (PALEY 2005), contrasting promoting separation and imaginative separation. He alludes to showcasing differentiators as organizations which convey advantageous areas, fantastic assistance and an alluring bundle, etc.

Then again, advancement differentiators, versatile firms and prospectors (AMOAKO-GVAMPAH K. 2008) might have the option to create current innovations and items on the foundation of which they may build their costs which buyers will pay. The affirmation of development differentiators incorporates the isolation of cost initiative and separation techniques. Development which explicitly discussed the cycles of creation could help with diminishing the expenses and separate simultaneously (LOCKAMY A. 1997).

This issue is a period of a more normal issue engaged with the classifying of generic techniques. It will be talked about in this segment that serious techniques ought to be recognized from the competing upper hand – The end issue would be "becoming trapped in the centre" but not at most first. Just like in the previous technique, there might be two elements associated with the separation technique: One is non-noticeable by the customers that are administration/item development and the other is visible to customers which includes services/special help to customers. Researcher Porter’s assertion is differentiators achieve more prominent income by premium pricing isn't globally perceived. The achievement of more noteworthy income from separation is associated with those organizations that can accomplish commercial centre predominance at a given cost (HILL 1988).

As per Porter that the more prominent result of Aviation service Airline of America is their ability to generate an increase in the portion of the overall industry not just from premium valuing. Featuring this vulnerability is a significant hypothetical subject. Assuming the relationship among result and separation capacities through commercial centre incomparability (at a given value), this ought to incorporate capability enhancements - for instance, experience benefits or potentially scale. This likelihood recommends that cost initiative and separation are not similarly elite key arrangements - a return of a common choice.

Therefore, certain issues arise if any business charges a superior cost for its services. (M.E 1997). For this situation, there will be a potential issue. How does a business accomplish more noteworthy results when beyond other businesses, how one can follow separate procedures along with information of superior cost? Analysis of this issue can be done by distinguishing limits of industry or division of a business's market. If we take the example of 7-11 local shops in Southland, showing item separation as per their area and store hours comfort (Murray 1988), but just contrasting with food retailers without any regard to other divisions for example hypermarket or stores (MUTUNGA L.S. 2014).

The idea to build up and make an inventive cycle features and items, implementation of this kind of system, is need for possession of more noteworthy execution which pioneer to expand the items' costs (Sumer 2012). This methodology is considered the most huge and successful as far as business climate which is quickly created; it isn't easy to anticipate contenders' and buyers' conduct. Additionally for the gaining of competing upper hand advantage on the stockpiling side (which is the business side), using imagination is necessary for contending or implementing separation techniques.

2. Conceptual Framework

2.1 Hypothesis and Research Model

In this research there are two hypotheses in which we considered:

- Cost Leadership and Differentiation Strategy as Independent Variables
- Competitive Advantage as Dependent Variable

And two hypotheses are:

Hyp1: The relationship between the cost leadership strategy and competitive advantage is positive in private energy businesses in Sulaymaniyah

Hyp2: The relationship between the differentiation strategy and competitive advantage is positive in private energy businesses in Sulaymaniyah.

2.2 Methodology

The quantitative methodology is used for the current case. There are more than 50 private energy businesses including oil, gas, solar and wind in the whole of the Kurdistan area of Iraq.

Since our focus is only on Sulaymaniyah city, so we only target the businesses in this specific city. The sample size is taken in the form of responses to the questionnaire of the managers of all the levels in a power firm. A total of 100 questionnaires were shared among the managers but only 93 were retrieved.

The researcher uses the convenience sampling method because it is suitable for the present case study. A five-point scale is used ranging from unimportant to very important is designed and volunteers were asked to fill the questionnaire on this scale.

Design of the study:

The quantitative method was utilized to analyze data in this study. The questionnaire was divided into two sections: demographic questions (participants' background information) and open-ended questions. The demographic questions asked of participants included their age, gender, degree of education, and year(s) of experience. The second component of the questionnaire consisted of questions about Porter's three generic techniques (Cost leadership strategy, differentiation strategy and focus strategy). The researcher asked 6 questions about differentiation strategy, 8 questions about cost leadership, and 6 questions about competitive advantage.

The methods used for the validation of outcomes are viewed as ideal by the previous researchers for the analysis of generic techniques. The sample design questionnaire is redesigned from the literature (KINYUIRA 2014) (BORDEAN, et al. 2010) (FURRER, et al. 2008) (ALLEN, et al. 2007) (KOTHA and VADLAMANI 1995) (NAYYAR 1993).

3. Analyzing of Data

Ninety-three managers took part in this research and all have at least five plus years of experience. The reliability test was applied and the following results were obtained:

Table 1 Reliability Test

Factors	Cronbach's Alpha	KMO
Cost Leadership	.752	.756
Differentiation	.841	.812
Competitive Advantage	.813	.823

From the above table, we can see that the items used for all the variables were reliable because all the values of Cronbach's alpha are greater than .6 of all the variables. For cost leadership it is .752, differentiation is .841 and for competitive advantage is .813.

Then after the co-relation analysis is done and results are given below:

Table 2 Correlation Analysis

Correlations			
Items	**Pearson Correlation**	**Cost Leadership**	**Differentiation**

Competitive Advantage	Pearson Correlation	.788*	.535*
	Sigm. (2 tail)	.000	.000
	N	93	93

*Correlation is significant at the 0.01 level (2-tailed)

The correlation outcomes are in the above table. The researchers calculate Pearson Correlation for the analysis. The value of cost leadership is .788 with a p less than 0.01 with a competitive advantage, for differentiation, it is .535 with a p less than 0.01 with a competitive advantage. It indicates that the linear relationship between cost leadership and competitive advantage is strong while the differentiation is moderate.

Table 3 Coefficients

Coefficient						
Model		Un-standardized Coefficient		Standardized Coefficient	t	Sigm.
		B	St. Error	Beta		
1)	(Constant)	.192	.085		2.325	.021
	Cost Leadership	.953	.031	.691	31.799	.000
	Differentiation	.112	.022	.130	5.219	.000

The technique of multiple regression analysis is used for the comparison between the cost leadership, and differentiation with the competitive advantage. The value of B for the cost leadership is .691 with a p less than .001 indicating the direct positive association of it with a competitive advantage. So, our first hypothesis is supported by it. For differentiation, it is .130 with a p less than .001 indicating also the direct positive association with a competitive advantage. Our second hypothesis was also got supported by it.

4. Discussion:

4.1 First Hypothesis Findings:

If we see the outcomes after the different analyses of the first hypothesis. The value of beta B is 0.691 for the cost leadership which means it is predicting the competitive advantage. It presents that cost leadership would have a direct association with the competitive advantage. Thus, it supports our first hypothesis.

The cheap and effective energy would produce more products and promotes industries for the growth of the economy. That's why its results are in line with Porter's results which indicate that cost leadership would have a direct and positive relationship with the competitive advantage. So cost leadership would have a positive association with the competitive advantage for the private energy sector and businesses.

4.2. Outcomes of test of second research hypothesis

After viewing the results of the analysis of the second hypothesis. The value of beta B is 0.130 for the differentiation strategy which means it is also predicting the competitive advantage significantly. It also indicates that the differentiation strategy would have a significant positive relationship with the competitive advantage. Based on this result our second hypothesis got supported.

The differentiation strategy would have a direct positive significant association with the competitive advantage of private energy businesses. The consumer is concerned about the service quality of power production and customer care. Also, the efficient methods of producing energy would impact a lot. The results of this are similar to the previous literature which considers the differentiation strategy as the low-cost position for the corporate and with a focus on quality (HILL 1988).

5. Conclusion

We analyze the private energy businesses in the Sulaymaniyah city of the Kurdistan area of Iraq. There are more than 50 private energy businesses including oil and gas, solar, wind etc. in the whole Kurdistan area. Hydropower plants are under the government so they were omitted to create the research. Then the focus was on the specifically mentioned city. Then the private energy sector focuses on improving internal efficiency through cost reduction and leadership techniques.

For good consumer care and service quality, the corporates focus on their differentiation techniques for a better supply of power to the region. Also working efficiently and taking care of consumer needs were focused. It is all considered as the application of the differentiation techniques.

Then the two hypotheses were developed and their analysis in Table 3 shows us the value of beta B for both of our independent variables is greater than 0.01 indicating both would have a significant positive association with the dependent variable which is a competitive advantage. The value of cost leadership is more which means it has a more significant impact. Thus, also differentiation strategy proves to be an additional factor for the competitive advantage.

6. Limitations

The main limitations of this study were the sample size. There are a few companies that look specific into Sulaymaniyah city. So that's why there is a decrease in sample size. However, there are new projects upcoming in the Kurdistan region for power production including most significantly wind turbines. That's why there are expected more power stations running privately in future.

7. Future research:

Since this area is rich in its resources of oil and gas. There are chances of the development of more power plants for energy. This thing attracts investors for investing and get better profits. The Kurdistan region of Iraq is relatively safe and reliable than other regions due to political issues. Wind energy and hydroelectric power plants are expected shortly and plans have been published in journals for efficient and reliable construction and development. In future, more energy businesses are expected.

8. Suggestions:

Methods should be adopted for an improved environment suitable for investors and corporates for developing more power plants. Private energy businesses should adopt porter's generic strategies for providing better services to their consumers. There should be checks and balances in the quality of production. In the market, the competitors always try to ace their rival corporates. Cost reduction and differentiation play a major role and would continue if applied properly.

الملخص:

هذه الدراسة تركز على العلاقة بين اثنتين من إستراتيجيات بورتر وهما إستراتيجية قيادة التكلفة وإستراتيجية التمايز وكيفية ارتباطهما بالميزة التنافسية في أعمال الطاقة الخاصة في مدينة السليمانية في اقليم كردستان العراق.تم تطبيق الطريقة الكمية لتحليل ٩٣ استبيان من اصل ١٠٠ تم توزيعه على مدراء كل فئة من فئات أعمال الطاقة الخاصة. الجزء الأول من البحث يحديد العلاقة الإيجابية بين قيادة التكلفة والميزة التنافسية ، بينما يركز الجزء الآخر على تحديد إمكانية العلاقة الإيجابية بين استراتيجية التمايز والميزة التنافسية. إذا نظرنا الى النتائج بعد التحليل المختلف للفرضية الأولى. فان قيمة بيتا لقيادة التكلفة تبلغ ٠.٦٩١, اي أنها قادرة على التنبأ بالميزة التنافسية. وعلية، فهي تدعم فرضيتنا الأولى. وبعد الاطلاع على نتائج تحليل الفرضية الثانية فان قيمة بيتا لإستراتيجية التمايز تبلغ ٠.١٣٠، فهذا يعني أنها أيضًا تتنبأ بالميزة التنافسية بشكل مثير للاهتمام.

الكلمات المفتاحية: شركات الطاقة الخاصة، استراتيجيات بورتر العامة، المزايا المتنافسة.

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