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THEORETICAL FOUNDATIONS OF ENTERPRISE COMPETITIVENESS

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Abstract

The essence of the concept of "competitiveness" as an economic category was considered, various approaches to the definition of this concept were analysed, and the company's competitiveness was analysed. Within the framework of this article, various scientific views regarding the definition of the essence of the concept of competitiveness are analyzed. It has been established that competitiveness is a key category used in the theory and practical aspects of economic research, and is a multifaceted concept. It is recommended to consider the competitiveness of the enterprise as a set of opportunities to effectively use its resource potential.

Key words: *Competitiveness, competition, enterprise competitiveness, product competitiveness, product competitiveness.*

Introduction

The concept of competition is an integral attribute of the market mechanism. Competition exists at all levels and links of the economic system, namely at the micro and macro levels and leads to optimal distribution of labor and capital.

Competition, like competitiveness, is a market category. It is the competition that is the one the "invisible hand" of the market, which coordinates the activities of its participants. "Each individual for necessity works in order to give society such an annual income as it is capable of.

In general, he does not try to realize his public interest and does not know to what extent he will realize it. He seeks only his own benefit, and in this, as in many other cases, he is controlled by an invisible hand, which in the end provides a result that he did not even think of" [1].

Adam Smith was the first to prove that competition, by equalizing the rate of profit, leads to an optimal distribution of labour and capital. In "Principles of Political Economy and Taxation" D.

Ricardo constructed a practically perfect theoretical model of perfect competition. In order to describe it, the author focused his attention on how this system will function in the long term. The model of perfect competition was substantially supplemented by Karl Marx in Das Kapital from the standpoint of the operation of the law of value. Developing the basic theoretical provisions of his predecessors, A. Marshall consistently and fully substantiated the mechanism of automatic establishment of equilibrium in the market by means of perfect competition and the operation of the laws of marginal utility and marginal productivity [2].

Statement of the main material

Competitiveness is one of the central categories of modern economic science, which has a decisive influence on the success of the functioning of the subjects of competitive relations, as well as the efficiency and stability of the development of the market mechanism as a whole. Thus, the competitiveness of the enterprise can be defined as the ability of the enterprise to better provide the supply of goods or services, compared to competitors, by providing goods or services with differentiated properties under the conditions of compliance with quality standards. The theoretical and methodological foundations of determining the essence, characteristic principles and signs of competitiveness of enterprises have become the subject of research by many domestic and foreign scientists, such as: V. I. Astakhova, A. Marenich, I. I. Biletska, N. M. Bogatska, I. Vinichenko. I., Grynko T.V., Dykan V.L., Dixon P.R., Dolzhanskyi I.Z.

The concept of "competition" is an important component of the market mechanism. It exists at all levels and links of the economic system, in particular at the micro and macro levels, ensuring the optimal distribution of labor and capital. It is competition that is the key tool and the main indicator of the economic state, which at the same time can stimulate the level of human aspirations, allowing to achieve the highest results, as well as being the driving force of technological innovation and productivity growth. According to Porter's interpretation, competition is a dynamic process that develops; it is a landscape that is constantly changing, with new products, new ways of marketing, new production processes and market segments emerging. R. Temmen and H. Seidel are convinced that competition exists "as the center of gravity of the entire system of the market economy, in which both sellers and buyers compete with each other in order to achieve their goal at the expense of rivals." In turn, K. McConnell and S. Brew define this concept as the presence in the market of a large number of independent sellers and buyers who have the opportunity to freely enter and exit the market.

Despite the multifaceted definition of its essence, researchers note the comparative and temporal (dynamic) nature of this indicator:

– comparative nature means that competitiveness is not a phenomenon inherent to a specific object; it does not follow from its inner nature, but is manifested only under the conditions of comparison of this object with others; it can be estimated by comparing the most significant indicators of enterprise activity; the result of this comparison is the determination of the level of competitiveness;

– temporal nature (dynamics) means that the level of competitiveness of the enterprise achieved in a separate period of time cannot be considered as a long-term characteristic of its market position, regardless of the efficiency of its activity; the opposition of other business entities, the determination and activity of their competitive strategies can lead to the loss of the achieved position and decrease in the level of competitiveness [3].

The competitiveness of the enterprise is the ability to produce and sell its products quickly, cheaply, qualitatively, to sell them in sufficient quantity, with a high technological level of service. The competitiveness of the enterprise is the ability to effectively dispose of own and borrowed resources in the conditions of a competitive market.

Product competitiveness is the degree of its compliance at a certain moment with the requirements of target groups of consumers or the selected market in terms of the most important characteristics: technical, economic, ecological, etc.

The competitiveness of a product reflects its ability to more fully meet the needs of customers compared to similar products on the market.

It is determined by competitive advantages: on the one hand, the quality of the product, its technical level, consumer properties, on the other hand, by the prices set by the sellers of goods.

In addition, advantages in warranty and post-warranty service, advertising, manufacturer's image, as well as the market situation and demand fluctuations affect competitiveness. The high level of competitiveness of the product indicates the expediency of its production and the possibility of profitable sales.

Ensuring the competitiveness of domestic enterprises at the current stage of economic development is an extremely important, extremely necessary and certainly urgent task of Ukraine.

In order to become competitive, domestic enterprises need not only financial resources, but also, above all, political will. First of all, they need to free themselves from their old selves forms of economic activity and change the existing institutional organization of production.

The desire to gain competitiveness is demonstrated not by establishing political ties with the authorities and building obstacles in the market for the appearance of new competitors, but, first of all, by using truly market methods of gaining competitive advantages – by activating innovative activity, optimization of the management system and organization of production, etc. In turn, the state must also change the system of incentives and motivations, remove obstacles to the development of a competitive environment, change the rules that limit and direct economic behavior, etc. [4].

Conclusions

So, the generalization of approaches to defining the essence of the concept of "competitiveness" showed that competition forces product manufacturers to improve product quality and attract attention new customers, and therefore increase own profits. In the conditions of competition, competitiveness is always manifested, and at different levels, which must be taken into account when managing it.Enterprise competitiveness is a complex, multifaceted concept that means rivalry, the struggle to achieve the best results, obtaining competitive advantages through the effective use of all available resources, the manufacture and sale of competitive products, and obtaining profit from conducting effective business activities.

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