DOI: 10.5281/zenodo.1303044 UDC Classification: 339.13(075.8)

JEL Classification: M31

MANAGING THE ENTERPRISE COMPETITIVE POTENTIAL ON THE BASIS OF A MARKETING COMPLEX

УПРАВЛІННЯ КОНКУРЕНТНИМ ПОТЕНЦІАЛОМ ПІДПРИЄМСТВА НА ОСНОВІ КОМПЛЕКСУ МАРКЕТИНГУ

Victoria V. Atiushkina, PhD in Economics, Associate Professor
Odessa National Polytechnic University, Odessa, Ukraine
ResearcherID: H-4698-2018
ORCID: 0000-0001-9199-3535
Email: avitalug@gmail.com
Received 28.12.2017

he search for ways to obtain competitive advantages is becoming an urgent matter for enterprises in the modern economic world. On the one hand, there is an exhaustion of the consumer by the various goods provided by the market; on the other hand, the development of scientific and technological progress, the presence and emergence of new product innovations and innovation processes (including digital marketing tools due to the capabilities of the Internet environment) requires from further development, improvement enterprises through differentiation, exclusivity to competitors. Only a few Ukrainian companies (in particular, natural monopolies, agricultural enterprises, etc.) can afford only an extensive way of development in the face of limited financial, labor, material resources on the background of a long-term crisis.

Атюшкіна В.В. Управління конкурентним потенціалом підприємства на основі комплексу маркетингу. Науковометодична стаття.

В статті досліджено підхід до визначення груп параметрів комплексу маркетингу підприємства під впливом зовнішніх умов конкуренції, складено параметричний опис конкурентного потенціалу підприємства для цілей системи управління конкурентним потенціалом, теоретично обгрунтовано підхід до визначення стійких конкурентних переваг підприємства на основі аналізу характеристик комплексу маркетингу. Визначено перспективи подальшого аналізу конкурентного потенціалу комплексу маркетингу, пов'язані з визначенням сили впливу окремого фактору конкуренції на групи параметрів («високих», «середніх» та «низьких») за елементами маркетингового комплексу.

 $\mathit{Ключові\ c.noвa}$: маркетинг-мікс, конкуренція, потенціал, параметр, управління

AtiushkinaV.V. Managing the enterprise competitive potential on the basis of a marketing complex. Scientific and methodical article.

In the article the approach to the definition of groups of parameters of the complex of marketing of the enterprise under the influence of external conditions of competition is investigated, the parametric description of the competitive potential of the enterprise for the purposes of the system of management of the competitive potential is formulated, the approach to determination of stable competitive advantages of the enterprise on the basis of analysis of the characteristics of the marketing complex is substantiated. The prospects of further analysis of the competitive potential of the marketing complex, determined by the influence of the individual factor of competition on the groups of parameters ("high", "medium" and "low") on elements of the marketing complex are determined.

Keywords: marketing mix, competition, potential, parameter, management

Analysis of recent researches and publications

Classical works on the basics of competition and competitiveness are the works of A. Smith (Smith, 1776), D. Ricardo (1776), A. Marshall (Marshall, 1892), I. Ansoff (Ansoff, 1965), J. Schumpeter (1912), M. Porter (Porter, 1985). Based on the research of these scientists, is based the work of modern scholars such as G. Azoyev, L. Balabanova, Yu. Ivanov, S. Klymenko, L. Kobilyatsky, S. Savchuk, R. Fatkhuddinov, A. Judanov. The issue of controlling the competitive potential of the enterprise is devoted to the works of V.A. Grosula, M.V. Afanasyeva, A.V. Yancheva concerning the management of the competitive potential of retail enterprises, O.V. Malyko, the components of the competitive potential, A.I. Luzhetsky concerning the identification of the concept "competitive potential of the enterprise" and approaches to its management, L.S. Golovkova concerning the economic potential of corporations, V.V. Matveev has investigated the mechanism of increasing the competitive potential of enterprises on the basis of the concept of strategic management.

Unsolved aspects of the problem

Taking into account the conclusions and developments set forth in the scientific works on the

management of the competitive potential of the enterprise, one can determine the direction of further research. Competitiveness of an enterprise directly depends on the degree of satisfaction of the needs of the consumer, and therefore on the characteristics of the product itself, offered to the consumer, its availability and convenience of purchase, consumer awareness of the product, and so on. Investigation of the issues of formation of competitive advantages of the enterprise on the basis of analysis of the marketing complex may be the direction of further exploration and the basis for forming the concept of management of the competitive potential based on the complex marketing of the enterprise.

The aim of the article is to study the characteristics of the enterprise's marketing complex under the influence of external conditions of competition, to formulate a parametric description of the system of management of the competitive potential of the enterprise, the theoretical substantiation of determining the stable competitive advantages of the enterprise on the basis of analysis of the characteristics of the marketing complex.

The main part

Since "the basis of effective company activity in the long run is a steady competitive advantage" [1], therefore, the study and analysis of these aspects allows us to concentrate on the allocation of sustainable competitive advantages of the enterprise, which can be the basis of its strategic competitiveness.

The search for sustainable competitive advantages should be based on the leading advances in strategic management and business strategies. Thus, according to K. Prahalad (Prahalad, 1990) and G. Hamel (Hamel, 1990) core assets or competencies of the company have the ability to provide opportunities for competition for many of its business types and synergistic advantage [2]. Core competencies represent the technologies, skills, business processes common to the entire firm, which must determine the choice of business activities, their combination and mutual reinforcement. Core assets provide the company with the ability to compete in all of the S7M

D. Aaker (Aaker, 1992) understands sustainable competitive advantage (SCA) as an element (or combination of elements) of a business strategy that provides a significant advantage over existing and future competitors [3]. The origins of the SCA are how the company competes for all the elements of the marketing complex that competences possess, which value can offer the consumer and who they consider their competitors to be.

In turn, the assets and competences of the company are the most persistent elements of a business strategy, which is difficult to copy or something to oppose them [3]. How essential they are to achieve long-term competitiveness will depend on the correct perception of sustainable competitive advantages and key success factors (KSF). After all,

KSF is a necessary asset or competence for a competition and SCA is an asset or competence that forms the basis for a lasting advantage. K.L. Keller (Keller, 2003) operates in this regard the terms of the point of parity and the point of difference, that is, the associations associated with the product, necessary but not distinguished (PP) or those that create an impression about the attribute of the product or benefit (PD) [4].

The main tool for diagnosing competitive advantages for M. Porter is a chain of value creation that allows us to determine which company can compete and maintain competitive positions in the strategic perspective. In turn, the chain of creation of the value of the company will depend on the structure of the industry (which can be described by five forces of competition in the relevant market) and simultaneously reflects the structure of all chains of value creation by competitors.

The strategic nature of coordination as a management function manifests itself in the need to achieve a balance in the complex "goal-internal environment-external environment" [5]. As for the marketing subsystem of the enterprise, this complex has the form "marketing goals - a complex of marketing a competitive environment". Conceptually, ensuring the coherence of actions in the process of activity involves a certain system of achievement of goals, including the desired result (marketing goals) and the way to achieve it. A desirable result can be considered an increase in return on invested capital or achieve another effect. As methods for achieving the result one can consider the analysis of the coordination of actions in the chain of value creation (by M.Portor), parametric evaluation of the system objects, strategic analysis of the competitive environment, comparison (benchmarketing, rating of the enterprise competitiveness, polygon of competitiveness, evaluation competitiveness of Zh.J. Lamben, etc.).

To determine the consistency of an object, it is necessary to describe it with the help of certain parameters and establish the relation between them in accordance with the requirements of the criterion of coherence. Under the criterion, in the general case, is meant some target guidance, on the basis of which the evaluation is carried out. In order to ensure consistency, it is necessary to determine the state of the parameters, their correlation and to assess the conformity with the criterion of coherence.

Competitive potential of the enterprise has many definitions, so within the framework of the comparative approach, Krasnokutskaya N.S., Pavlova V.A., Petrovich Y.M. emphasize the need to assess the competitive potential of the enterprise in comparison with other economic entities [6], which corresponds to the portrait perception of competitive advantages with respect to rival companies operating in the eastern competitive conditions. On the other hand, the authors of the monographic research V.A. Grosul, M.V. Afanasyeva, A.V. Yanchevym identified the key characteristics of the competitive

potential of the enterprise: competence orientation, orientation on ensuring competitiveness, the balance of local components, the synergy of local components, external orientation, relativity in time [6]. The distinguished characteristics emphasize the need for the relationship between the components of the competitive potential of the enterprise and their relative significance (in time and space). Thus, one can consider the state of coordination of elements of the competitive potential of its necessary characteristic.

The system for managing the company's competitive potential can be presented in the form of interconnected elements, each of which must be described with a set of indicators:

- Pi retinue of indicators, which characterizes the impulse (input) of the system, which prompts it to function;
- Ps retinue of indicators characterizing the state of the system;
- Pr retinue of indicators characterizing the system's response, that is, the results of its functioning.

A retinue is a sequence of interconnected elements of a limited number, each of which can have both numeric and non-numeric descriptions.

Impulse characterizes the goals, tasks, needs, for which this system is created.

The state of the system is determined by the properties of its main elements, their ability to function to achieve the goal in response to the input pulse.

The reaction of the system is the results of its functioning, that is, the degree of satisfaction with the result, completeness of the achievement of the tasks.

The relationship in the system of managing the competitive potential of an enterprise can be described by the equation:

$$R(t) = F[X(t_0); Y(t_0)],$$
(1)

that is, the result of time management (R) is the function of the parameters of the state of this system (object) at a certain time (X) and the parameters of the input pulse at a certain time (Y).

Parametric analysis, or parameterization, is an element of system analysis and consists in the allocation and description of factors that have the most significant influence on the process of management of the system. We will analyze consistently the parameters of the entrance, state and exit of the system of management of the competitive potential of the enterprise in general terms.

The input, or momentum, of the studied system can be represented as:

$$Y = \langle P_{i1}; P_{i2} \rangle,$$
 (2)

where P_{il} – the needs of the environment, formed in accordance with the requirements of competition in the industry (5 forces of competition for M.Porter), opportunities and threats to the environment, etc.

 P_{i2} – needs of the owner, management of the enterprise.

As the main objective requirement of the external environment (P_{i1}), which prompts the enterprise to

operate in a market economy, is the need of the market, which it is intended to satisfy.

The state of the system of control of the competitive potential of the enterprise can be described in the coordinates of the marketing complex of the enterprise. In general, the marketing function of enterprise management is designed to provide maximum profit by studying and taking into account market demand, consumer needs and product requirements.

As you know, the strategic goal of the marketing complex is to formulate a strategy that will increase the perceived value of the product, as well as help maximize company profits in the market for a long time. The concept of competitive advantage draws attention to the production of maximum value and increase, as compared with competitors, the gap between the consumption value and the cost of its production as a target guide [7].

The effectiveness of the marketing complex is achieved through the provision of certain conditions, among which the main place is the choice of the target market, the definition of needs and achievement of the goal of marketing in this market; definition of competitive advantages in the target market; an effective combination of elements of the complex, which must match the capabilities and resources of the enterprise.

Elements of the marketing complex are controlled (managed) by the enterprise, that is, which the enterprise can directly form and change in the marketing process. The management of the competitive potential of the company is, among other things, the creation and modification of the elements of the marketing complex: the formation of a certain quality, the range of goods, the establishment of the selling price of the goods, the determination of the place and form of its implementation, and the creation of a feasible advancement complex. In this regard, the system for managing the company's competitive potential should include elements of the marketing complex as objects of influence, described with the help of certain characteristics, which are the most significant, decisive, influential for increasing the competitive potential of the enterprise. Determining the composition of the characteristics (indicators) of each element of the marketing complex will depend on the impulse (target guidance) of the system (see formula 2). At the same time, the combination of characteristics will result in different market outcomes, so from the possible combinations you should choose the most effective in terms of achieving long competitive advantages.

The state of the system of control of the competitive potential of an enterprise can be described by the following tuple of indicators:

$$X = \langle P_{s1}; P_{s2}; P_{s3}; P_{s4}; \rangle$$
, (3) where $P_{s1}; P_{s2}; P_{s3}; P_{s4}$ – accordingly, the parameters defined by elements of the enterprise marketing complex "product", "price", "place of sale", "promotion". The list of parameters can be extended

by adding to the parametric description of other elements of the marketing mix.

The reaction of the system can be represented as:

$$R = \langle P_{r1}; P_{r2}; P_{r3}; P_{r4} \rangle$$
, (4)

where $P_{\rm rl}$ – a component of the retinue of parameters (or indicators), which characterizes the economic results of the object;

 $P_{\rm r2}$ – a component of the retinue, which characterizes the social results of the operation of the object;

 $P_{\rm r3}$ – a component of the retinue, which characterizes the ecological results of the operation of the object;

 $P_{\rm r4}$ – a component of the retinue, which characterizes other results of the operation of the object.

In order to determine the parameters of the system's state, it is expedient to take into account certain characteristics of elements of the marketing complex. The parametric description of the product element may be based on the following characteristics:

- product functional required and unique product characteristics by product levels;
- product symbols: brand name, logo, corporate identity;
- the quality level of the product (taking into account the perception of the consumer);
- external form of product style, design, packaging;
- assortment product range;
- service support.

The basis for the parametric description of the element "price" may be the following characteristics:

- the retail price (or the ratio of the selling price to the desired retail price);
- cost leadership;
- the ratio of "price-quality";
- price strategy at different stages of the PLM (penetration, removal of cream, etc.);
- pricing based on sales channels;
- a system of discounts, bonus programs, promotional events, etc.

The parametric description of the element of the system "place of sale" should reflect the features of the following objects:

- markets for selling products (market conditions, industry, geographical indicators, etc.);
- types and distribution channels;
- distribution terms for different types;
- logistics capabilities and conditions (inventory management, geographical distance from the consumer, customs barriers, etc.).

Solutions for product promotion as a whole depend on:

- promotion strategies;
- communication channels;
- geography of communications;
- media strategy of the brand;
- sales promotion measures:

— ways to inform the consumer.

It is possible to deepen the description of the marketing complex at the expense of several more well-known elements – people, processes, physical evidence, as well as relations between supplier and consumer (partnerships). Such an expansion of the number of objects of analysis complicates it, but allows better to consider the possibilities of internal marketing of the enterprise.

Characteristics of the elements of the marketing complex should enter the retinue state of the system. Separate element of the retinue it is expedient to highlight the state of coordination of elements of the marketing complex, considering that it is the consistency of individual components of the marketing system that can strengthen the competitive ability of the company and create a unique competitive advantage.

The system of management of the competitive potential of the enterprise on the basis of the complex of marketing can be represented as the following set of interconnected components (fig. 1).

A more detailed assessment of the competitive potential of the company is as follows. On the basis of comparison of the values of the indicators determined by the elements of the marketing complex, with the same indicators of the existing in the field of competitors, potential competitors and substitutes, the indicators that are KSF, that is their values are greater or equal to the value of the corresponding indicators of competitors. They will constitute a group of "high" parameters of the enterprise's competitiveness. Those parameters, whose values are significantly worse than competitors, will form a group of "low" parameters. All others fall into the group of "average" parameters.

The next step in analyzing the competitive potential of the marketing complex should be the determining of the strength of the individual competition factor for the group of parameters ("high", "medium" and "low") for the elements of the marketing complex. Characteristics of the force of influence may take the meaning of "strong influence", "moderate influence", "weak influence".

The main element within the framework of the concept of managing the competitive potential on the basis of the enterprise marketing complex is the determination of a plurality of parameters of the marketing complex for the formation of the enterprise's SCA. It is precisely this stage that allows formulating potential competitive advantages as a result of assessing the degree of influence of each of the considered competitive forces (strong, moderate, weak) on individual parameters in the groups of parameters (high, medium and low). The most promising from the point of view of setting up SCA are those components of marketing mix, which are described by high and average parameters, the degree of influence of the competitive forces on which is moderate or weak (or is supposed to be).

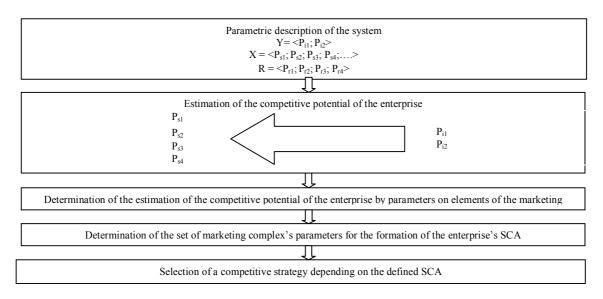


Fig. 1. The system of management of the competitive potential of the enterprise on the basis of the marketing complex

Source: own elaboration

Also, those positions of the marketing complex described by "high" parameters under the strong influence of competition can be involved for further analysis. "Low" parameters under the strong and moderate influence of the competitive forces can be considered as "bottlenecks" of the competitive potential of the enterprise and weaken it.

The formed set of indicators of the state of the system of management of the competitive potential for elements of the marketing complex should be the basis for periodic evaluation of its elements in time and verification of the degree of stability of the values of indicators in order to further determine the SCA and the choice of a competitive strategy. Particular attention should be paid to the study of the coherence of certain elements of the competitive potential of the enterprise, which can be distinguished in a separate stage of managing the competitive potential. Such a requirement stems from the conditions of the classical approach to the formation of stable competitive advantages [7], which is based on the conformity and consistency of the entire system of activity as one of the criteria by which any optimal strategy is checked. In addition, such interconnectivity, mutual support for individual elements of marketing mix can help to highlight those aspects of marketing activities of the enterprise that are (or may be) the basis for the formation of so-called "sticking assets or competencies" [2].

Conclusions

Managing the competitive potential of an enterprise, that is its increase, qualitative improvement in comparison with competitors is an urgent need of modern economic relations. The parametric description of components of the system of management of the competitive potential for elements of the marketing complex (4Ps) and the described approach to the definition of groups of parameters ("high", "medium" and "low") are determined on the basis of key success factors, which form the basis of the investigated management system. The procedures for evaluating the specified parameters depending on the influence of the competitive forces in the field of the enterprise activity are components of the system of control of the competitive potential and allow to identify elements of marketing mix, perspective in terms of the formation of strategic competitive advantages. The direction of further inquiries may be the approbation of the above-mentioned approach and the application of the described procedures on the examples of enterprises of various sectors of activity and improvement of the parametric description of the elements of the competitive potential of a particular enterprise by the results of the analysis.

Abstract

Purpose: Managing the competitive potential of an enterprise, increasing it, qualitative improvement in comparison with competitors is an urgent need of modern economic relations. Determination of sustainable competitive advantages of an enterprise can be the basis for management of its strategic competitiveness.

The aim of the article is studying the characteristics of a marketing complex of an enterprise under the influence of external conditions of competition, compiling a parametric description of the competitive potential's control system of the enterprise, theoretical substantiation of determining the sustainable competitive advantages of the enterprise based on the analysis marketing's complex characteristics.

Methods: Managing the company's competitive potential is to create and modify the elements of a marketing complex. The control system of the competitive potential of the enterprise should include as objects of influence

elements of the marketing complex, described by means of certain characteristics. Determining the composition of the characteristics (indicators) of each element of the marketing complex will depend on the system's impulse (target setting). Based on the comparison of indicators values defined for the elements of the marketing complex with the analogous indicators of valid competitors in the industry, potential competitors and substitutes products are groups of settings. The next step in the analyzing of the competitive potential of the marketing complex should be to determine the strength of the individual competition factor for the group of settings ("high", "medium" and "low") for the elements of the marketing complex. The main element within the framework of the concept of the management competitive potential based on the company's marketing complex is determination the set of parameters of the marketing complex to form sustainable competitive advantages of the enterprise. The most promising in terms of creating sustainable competitive advantages are those components of marketing mix, which are described with the "high" and "medium" parameters, the influence's degree of competitive forces on which is moderate or weak.

Results: The formed set of indicators of the control system's status by the competitive potential by elements of the marketing complex should be the basis for periodic evaluation of its elements in time and in the verification of the stability's degree of the indicator's values in order to further determination the sustainable competitive advantages and choice of a competitive strategy.

Список літератури:

- 1. Портер М. Конкурентное преимущество: Как достичь высокого результата и обеспечить его устойчивость / М. Портер. М.: Альпина Паблишер, 2006. 715 с.
- 2. Prahalad C.K., Hamel G. The core competence of the corporation. Harvard Business Review. 1990. vol. 68. N 3. P. 79-91.
- 3. Аакер Д. Стратегическое рыночное управление / Д. Аакер. Санкт-Петербург: Питер Пресс, 2007. 496c.
- Keller K.L. Strategic Brand Management. 2nd edition, Upper Saddle River, NJ: Prentice Hall, 2003. P. 131-136.
- 5. Галгаш Р.А. Інформаційно-аналітичне забезпечення розвитку економіко-інноваційних систем різного рівня / Р.А. Галгаш, В. В. Максимов, Т. С. Максимова та ін.; Маркетинг. Менеджмент. Інновації: монографія. Суми: ТОВ "ТД "Папірус", 2010. С. 95–107.
- 6. Гросул В.А. Управління конкурентним потенціалом підприємств роздрібної торгівлі: монографія / В.А. Гросул, М.В. Афанасьєва, А.В. Янчев. Х.: ХДУХТ, 2016. 244 с.
- 7. Магретта Дж. Ключевые идеи. Майкл Портер. Руководство по разработке стратегии. М.: Манн, Иванов и Фербер, 2013. 272 с.

References:

- 1. Porter, M. (2006). Competitive Advantage: How to achieve a high result and ensure its stability. Moscow: Alpina Pablisher [in Russian].
- 2. Prahalad, C.K., & Hamel, G. (1990). The core competence of the corporation. Harvard Business Review. 68 (3), 79-91 [in English].
- 3. Aaker, D. (2007). Strategic market management. SPb: Piter Press [in Russian].
- 4. Keller, K.L. (2003). Strategic Brand Management. (2nd ed.). Upper Saddle River, NJ: Prentice Hall [in English].
- 5. Galgash, R.A., Maksimov, V.V., & Maksimova, T.S. and others (2010). Information and analytical support for the development of different economic-innovation systems. Sumy: LLC TD "Papiurus" [in Ukrainian].
- 6. Grosul, V.A., Afanasyeva, M.V., & Yanchev, A.V. (2016). Management of the Competitive Potential of Retail Enterprises: Monograph. Kharkov [in Ukrainian].
- 7. Magretta, J. (2013). Key Ideas. Michael Porter. Guide to developing a strategy. Moscow: Mann, Ivanov and Ferber [in Russian].

Посилання на статтю:

Atiushkina V. V. Managing the enterprise competitive potential on the basis of a marketing complex [Електронний ресурс] / V. V. Atiushkina // Економіка: реалії часу. Науковий журнал. — 2018. - N 21 (35). - C. 13-18. -Режим доступу до журн.: https://economics.opu.ua/files/archive/2018/No1/13.pdf. DOI: 10.5281/zenodo.1303044.

Reference a Journal Article:

Atiushkina V. V. Managing the enterprise competitive potential on the basis of a marketing complex [Electronic resource] / V. V. Atiushkina // Economics: time realities. Scientific journal. -2018



This is an open access journal and all published articles are licensed under a Creative Commons «Attribution» 4.0.