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COMPETITIVENESS AND COMPETITION: ESSENCE AND APPROACHES

Valeriya S. Mihno*, Marina V. Krylova, Marina V. Glotova

Siberian Federal University, Krasnoyarsk, Russian Federation

Abstract. The works of scientists devoted to the study of competition and competitiveness were used as the information base of the study. The article discusses various theoretical and methodological approaches to the definition of the economic essence of the concepts of "competition" and "competitiveness". The discussion of economists regarding the definition of the designated categories continues at the present time, since there is a close relationship between their essence and the impact of external and internal factors on the activities of economic entities, and the list and content of these factors varies in time and space. The authors analyzed the interpretations of the concepts of "competition" and "competitiveness" in order to identify the most common features in determining their essence. Based on the studied approaches, the author's interpretation of the category "competitiveness" is formulated. The results of the conducted research can be used in the formation of a strategy for the development of business entities in the markets of goods, works, services.

Keywords: competitiveness, competition, struggle, competitors, market of goods, works, services, business entity, factors.

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КОНКУРЕНТОСПОСОБНОСТЬ И КОНКУРЕНЦИЯ: СУЩНОСТЬ И ПОДХОДЫ

Валерия Сергеевна Михно*, Марина Владимировна Крылова,

Марина Валерьевна Глотова

ФГАОУ ВО «Сибирский федеральный университет»,

Красноярск, Российская Федерация

Аннотация. В качестве информационной базы исследования использованы труды ученых, посвященных изучению конкуренции и конкурентоспособности. В статье рассмотрены различные теоретико-методологические подходы к определению экономической сущности понятий «конкуренция» и «конкурентоспособность». Дискутирование экономистов на предмет определения обозначенных категорий продолжается и в настоящее время, поскольку существует тесная взаимосвязь между их сущностью и воздействием внешних и внутренних факторов на деятельность хозяйствующих субъектов, а перечень и содержание этих факторов видоизменяется во времени и пространстве. Авторами проанализированы трактовки понятий «конкуренция» и «конкурентоспособность» с целью выявления наиболее общих черт в определении их сущности. На основании изученных подходов сформулирована авторская трактовка категории «конкурентоспособность». Результаты проведенного исследования могут быть использованы при формировании стратегии развития субъектов хозяйствования на рынках товаров, работ, услуг.

Ключевые слова: конкурентоспособность, конкуренция, борьба, конкуренты, рынок товаров, работ, услуг, субъект хозяйствования, факторы.

Introduction. Currently, competition is an integral part of the global economy. Understanding the importance of competition has an impact on the state of the economy, both at the macro and micro levels. The study of the essence of competition and competitiveness, as well as the first theories devoted to their impact on economic life, have been actively developing since the XVIII century. To date, scientists are trying to formulate the concepts of competition and competitiveness, reflecting the current trends in the development of markets for goods, works, services.

Materials and methods. Many representatives of various economic schools considered competitiveness to be the main subject of their research. The greatest contribution to the formation of the theory of competition, from the point of view of the authors, was made by the following economists: A. Smith, D. Ricardo, J. Mill, A. Marshall, A. Cournot, K. Marx, E. A. Sysoeva, J. Robinson, J. Schumpeter, E. Penrose, B. Wernerfelt, M. Porter, M. Gelvanovsky, P. Zavyalov, N. S. Yashin, R. A. Fatkhutdinov, E. Chamberlin, G. L. Azoev, A. G. Granberg, A. G. Aganbegyan, T. V. Sachuk, A. Z. Seleznev, E. N. Bondarenko, I. P. Danilov, B. D. Parygin, A. A. Vasilevskaya, I. A. Lunin, O. M. Kalieva, N. V. Belotserkovskaya, Y. R. Djukaeva, E. A. Bobyleva, P. Heine, K. R. McConnell, S. L. Bru, F. A. Hayek, V. E. Khrutsky, I. V. Korneev, A. I. Kovalenko, O. V. Kravchenko, Yu. A. Polaneczky, A. L., Karpov, B. A. Raizberg, L. Sh. Lozovskiy, E. B. Starodubtseva, D. N. Babenko, I. P. Bogomolova, E. V. Khokhlov, A. V. Bondarev, A. V. Bulgakov, E. P. Golubkov, E. V. Dorzhieva, I. L. Durisova [1-41]. The basis of the research is the analysis of the designated sources aimed at a critical understanding the essence of the concepts of "competition" and "competitiveness".

Discussion. Despite the long-term study by scientists of the essence of competition and competitiveness, their interpretation is so ambiguous that for the formulation of the author's concept requires careful study and systematization of definitions based on a large array of works.

In the interpretation of V. Dahl according to the "Explanatory Dictionary of the living Great Russian language", competition means "rivalry or contest in trade and crafts, contention, competition". This definition of competition is currently very narrow in the context of the world level of economic development. Also, this definition does not reveal the full potential from the point of view of studying and interpreting the concepts of "competitiveness" and "competition", competitive advantages and methods of managing them.

Competition between producers and sellers plays a significant role in a market economy. Perfect and imperfect, price and non-price, fair and unfair competition, free competition, quality competition, international competition and other types relate primarily to the competition of manufacturers.

In the world economy, there are several classifications of competition, which differ in beliefs and devices of interaction between subjects and objects of the economic system. The main classification features are: the nature of satisfaction of needs; forms of management; methods of competition; forms of connection of consumer and producer.

The first contribution to the definition of "competition" was made by A. Smith [1] in the work "Research on the wealth of nations". He wrote that "competition will immediately begin among buyers if there is a reduction in supply, which will lead to an increase in prices," but if the supply is too high, the price will drop lower, being mostly competition between sellers, "or, depending on how much faster it will be for them to sell this product." Although A. Smith did not give a clear defining "competition", in his work he introduced the metaphor "invisible hand", believing that the "invisible hand" is a force that directs private interest in the direction of social needs. This definition fully corresponds to the idea that Smith promoted

in the book "The Wealth of Nations": providing opportunities for selfish interests is the best way to increase people's well-being. Smith emphasizes that "we do not expect food from us not because of the goodwill of the butcher, baker or brewer, but out of their own interests. We are not addressing humanity, but their selfishness, and we never tell them about our needs, but only about their advantages ..." [1].

D. Ricardo [2] created a theoretical model of perfect competition, in which the main focus was on how the system works in the long term. In his works, he explained that competition determines the value of goods, while after payment of wages, the remainder of the value or its surplus will remain proportionate in each branch of capital, i.e. competition is a necessary condition for market pricing.

The end of the period of domination over the classical school of political economy is associated with the name of J. S. Mill [3]. In his work "Principles of Political Economy with some of their applications to Social Philosophy" [3], he analyzed that competition is expressed as a law that defines the rules for regulating prices, wages, and rents. The expression also belongs to J. S. Mill that "monopoly in any form is the taxation of diligence for the sake of supporting laziness, if not robbery."

The neoclassical school, whose representative, first of all, was A. Marshall [4], paid great attention to the theory of pricing. Continuing the idea of the classical school, A. Marshall in his writings said that supply and demand are free, and producers act independently, and this is the key to free competition. Buyers and sellers easily compete with the same buyers and sellers.

For the first time, mathematical apparatus was used to assess competition by "mathematical economists", such as A. Cournot [5]. He believed that competition arises between two or more companies, where each company assumes that the volume of production of its competitors will remain unchanged. If only two companies competed, i.e. there is a duopoly, where the balance in terms of competition according to A. Cournot is achieved at a lower price and a higher total volume of production than with a monopoly. The more companies there are in the industry and the higher the degree of interchangeability of their products, the more the equilibrium in a competitive environment is similar to the equilibrium in perfect competition.

In his writings, K. Marx [6] also considered competition as a factor influencing the growth of capitalist production, scientific and technological progress and technical re-equipment of enterprises. K. Marx concluded that competition is a law that regulates the general rate of profit that determines producer prices.

E. A. Sysoeva also gives a close definition to the previous one in her works [7], saying that the competitiveness of a firm is a relative characteristic reflecting the differences in the development process of a given manufacturer from a competing manufacturer both in terms of satisfying its specific social needs with goods or services, and in terms of the efficiency of production activities.

The starting point of the concept of J. Robinson [8] was a recognition the reality of the monopolies influence on pricing, which is actually understood as an "imperfect competition regime". In her opinion, the neoclassical school, following the classics, overly idealizes the real conditions of the modern market, since "everywhere one can observe the effect of the tendency to monopolization, which is reflected in restriction programs, quota systems, etc., rationalization and growth of huge companies." Robinson in her work considered competitiveness as a way to resist competitors, avoid fighting, while embracing new markets for combined products.

The conceptual essence of J. Schumpeter's approach [9] is similar to the concept that Karl Marx relied on. J. Schumpeter in his work [9] wrote that the competitiveness of an enterprise "is determined by the ability to create new technologies, new markets and ideas."

A close definition was used by the authors E. Penrose, B. Wernerfelt [10], taking into account competitiveness in terms of access to resources, they believed that it is determined by a rare combination of resources that are always available to the firm, and affects as the key to economic rent or cost savings. However, an important reserve for increasing competitiveness is the inner layer of the firm.

The advantage of M. Porter's theory [11] is the model of five competitive forces proposed by him, based on the generalization of approaches of various economic schools, the analysis of which makes it possible to formulate a reasonable competitive strategy. M. Porter in his work considered competition as an expanded rivalry, highlighting a competitive strategy aimed at achieving dominance in the occupied market. Such a strategy is based on the assessment of personal competitive advantages, as well as the potentials for their strengthening and improvement. Porter established "competitive higher-order advantages" that cannot be borrowed from competitors. As a result of the development of real competitive advantages, there are long-term and increased investments in specialized training of employees, in research and development, especially in the field of marketing, and not only in the formation of production capacities.

When studying competition and competitiveness, M. Gelvanovsky [12] formulated his definition, considering that competitiveness is the possession of properties that form advantages in the field of economic competition and rivalry.

A similar opinion is held by the author P. Zavvalov [13], arguing that competition is a rivalry between producers in the economic market for more favorable conditions and offers, as well as the sale of products to obtain the greatest profit.

The author N. S. Yashin [14] in his work argued that competitiveness encompasses a set of, on the one hand, the features of the organization itself, determined by the level of consumption of scientific, technical, industrial, professional potential, as well as the potential of advertising services, and, on the other hand, external socio-economic and organizational factors that allow the company to organize products that are more advantageous in terms of price and non-price features in comparison with competitors, which are fundamental criteria for the business activity of the organization.

R. A. Fatkhutdinov [15] said that the property of objects that characterizes the level of satisfaction of an abstract need for comparison with similar objects presented in the provided market establishes the features of competition in comparison with similar objects in the provided object market.

Another statement on the definition of the essence of competitiveness as an economic process of interaction, interconnection and war between enterprises acting on the market in order to ensure the best conditions for the sale of products, meeting the diverse needs of buyers, was put forward by G. L. Azoev [16].

The contribution of the American economist E. Chamberlin [17] is that he was the first to introduce the term "monopolistic competition". According to him, economic situations are mainly phenomena that include both competition and monopoly. E. Chamberlin in his work [17] designated competition as a dynamic process, where the basis for replacing the concept is the unification of products in the market.

One of the first who conducted research on competition and competitiveness of regions were A. G. Granberg and A. G. Aganbegyan [18], designating competition as a way to protect and defend their interests in the goods market.

An illustration of another approach is the work of T. V. Sachuk [19], in which competitiveness is established as a set of personal competitive advantages offered to the consumer, i.e. the consumer's interest in this definition is more important, which is inherent in the marketing approach.

A large number of authors investigate competitiveness in the complex of relations between a company and other business entities, taking into account the influence of regional and international conditions. For example, A. Z. Seleznev [20] in his work analyzed competitiveness as a situation in the domestic and foreign markets determined by economic, social and other factors, reflected through indicators that adequately characterize such a state and its dynamics.

E. N. Bondarenko proposed his definition of the essence of competitiveness [21], considering that competitiveness is the production options that are in demand in the domestic, interregional and international markets, which allow enterprises and the population to provide a high level of income and the necessary quality of life.

A similar definition, considering competitiveness as "a complex property that has its own resources (psychophysical health, age, appearance, abilities, talent, level of intelligence, energy reserve) and moral aspects (hierarchy of values, belief system, presence of prohibitions and personal restrictions)" is given by B. D. Parygin [22].

A more concise definition is given by I. P. Danilov [23], studying competitiveness as an expression of the totality of several relations related to economic development in interaction with other business entities.

Vasilevskaya A. A., Lunin I. A. [24], believe that competition is the most important mechanism that contributes to the functioning of the market economy in the modern situation, acting as a key element of the system of market relations. Competition includes the representation of the struggle between market participants for more profitable economic results of the production and sale of goods, for the quality of exchanged goods and services.

In the work of Kalieva O. M., Belotserkovskaya N. V., Djukaeva Y. R., Bobyleva E. A. [25] it is argued that competition is an economic war of all against all, in which market participants defend their interests. On the contrary, "there is competition the desire to meet the criteria for access to rare goods as best as possible," P. Heine said [26].

Supporters of the neoclassical traditions of K. R. McConnell and S. L. Bru [27], who summarized previous experience, used a structural approach to the analysis of competition and identified four main market situations. After identifying four types of markets and using the functional research method, they gave characteristics of each market situation. The authors considered competition to be "the presence of a large number of independent buyers and sellers on the market, the opportunity for buyers and sellers to freely enter and leave the market."

It is necessary to note the opinion of the author Hayek F. A. [28], who said that the process through which people receive and transmit knowledge, and the desire to satisfy the possibilities of access to benefits is competitiveness.

Competitiveness is the ability of an economic operator to occupy a sufficient market share, from the point of view of V. E. Khrutsky, I. V. Korneeva [29]. The authors argued that competitiveness is the ability to work successfully in a certain market (sales region) for a certain period of time due to the production and sale of competing goods and services.

Kovalenko A. I. [30] in his work notes that competitiveness is also defined as a property of a legal entity, which indicates its ability to resist competition of this kind, the ability to conduct competitive actions, etc.

A similar definition is given by Kravchenko O. V. [31], where competitiveness is the ability of an economic entity to surpass a competitor and use its advantages to achieve its goals.

Yu. A. Polyanichkin [32] defines the competitiveness of an enterprise as the impact of a complex of factors of the external and internal environment of its life.

A. L. Karpov offers a relatively similar definition of the essence of competitiveness [33], considering that the competitiveness of a company at the moment is its superiority in

certain market segments over competition, evaluated by external participants, achieved without prejudice to others, determined by the competitiveness of its specific products and the level of competitive potential that characterizes its ability to develop now and in the future to produce, sell and serve goods (services) that are better in price / quality ratio than their analogues.

The Soviet economist Raisberg B. A., Lozovsky L. Sh., Starodubtseva E. B. [34], argued that competitiveness is the ability of goods to match the requirements of a competitive market, the needs of buyers in comparison with other similar products on the market. Competitiveness is determined, on the one hand, by the quality of the product, its technical level, consumer characteristics, and, on the other, by the prices set by the sellers of the goods. In addition, the competitiveness is influenced by fashion, sales and after-sales service, advertising, the image of the manufacturer, the market situation, fluctuations in demand.

One of the ways to increase competitiveness is to increase the volume of sales of a product (services or works). It should be borne in mind that an increase in sales volumes by itself will not bring the desired results, since such important indicators as the amount of expenses of the enterprise, its profit, etc. are not taken into account. Babenko D. N. [35], wrote that competitiveness is a complex characteristic of a company, reflecting the level of its superiority in relation to real competitors in two components - market (satisfaction of demand, quality of business services, market image) and financial (financial condition, use of strategic potential).

The value of competitiveness is a comparative indicator, and its calculation can be based on a comparison of the main parameters of the assessed object and the base for comparison. Bogomolova I. P., Khokhlov E. V. [36], the term "competitiveness" is defined as "being able to compete". The competitiveness of an object is a condition that characterizes the actual or potential ability to perform its functional duties in the face of possible resistance from opponents.

Bondarev A. V. [37], asserted the competitiveness of an enterprise is determined by the potential of effective economic activity of an enterprise at the level of industry areas and cost-effective sale of manufactured products in a competitive market.

By the competitiveness of the enterprise, Bulgakov O. V. [38] understands the ability of the management object to adequately understand its condition, to overcome the unpredictability of the external environment and to acquire social, environmental, economic, scientific, technical and other types of effect, based on factors of production, investment, innovation and others in order to ensure the desired satisfaction of target markets in more productive and more effective ways than competitors, while simultaneously improving the quality of life of the consumer and the well-being of society as a whole.

Golubkov E. P. in his work [39] argued that the competitiveness of an organization is the ability to successfully develop and improve in a competitive market.

Dorzheva E. V. [40], understood the competitiveness of enterprises and firms to mean the availability of competitive goods and services provided to the consumer, which are potentially competitive and have advantages over others.

The definition based on the commodity component of competitiveness is given in her article by I. L. Dulisova [41], who wrote that competitiveness is a way to meet a specific need in comparison with the best similar objects shown in the provided market, or competitiveness is the ability to resist competition in comparison with similar objects in a particular market.

Conclusions. Taking into account the above approaches to the disclosure of the essence of competitiveness, the authors of the article define competitiveness as the possession of a certain advantage over another subject of economic competition in the markets of goods, works, services in terms of achieving their own goals and objectives and meeting the needs of consumers.

Summing up, we can say that the review of theoretical approaches to the definition of competition and competitiveness indicates that their characteristics are multifaceted and determined by the properties of a particular object of research and the factors affecting them.

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