Abstract. The article investigates the main scientific approaches to definition of the essence of the basic concepts of categorical apparatus of the theory of competition. Theoretical questions concerning the essence of concepts such as competitiveness, the competitive environment, competitiveness – stability, competitive strategy, competitive potential and competitive advantage are analyzed. It was identified the main criteria of their differentiation considering internal orientation, which allowed to build a hierarchy of concepts categorical apparatus of the theory of competition.

Keywords: theory of competition, competition, business, competitive environment, competitiveness.

Introduction

Ensuring the long-term competitiveness of domestic enterprises is one of the most important tasks in modern conditions of management. This is due to significant structural changes in the Ukrainian economy and the emergence of a competitive field of new players. In such circumstances, the stability of functioning and sustainability of already existing of trade enterprises should be ensured through the creation of competitive advantages that are difficult to imitate by competitors. Given the high degree of variability of internal and especially external business - environment, competitive advantages of commercial enterprise should have not only a stable, but also a transformed character. Basic components of forming the flexible competitive advantages are the competitive potential of the company. The quality of the portfolio of competitive edges of enterprise and what level of competitiveness of trade enterprise in the consumer market exactly depends on how effective is the management policy of the company is.

Method

Works of many national and foreign scientists are devoted to theoretical and historical problems and practical aspects of management of the enterprises competitiveness. For example, classical works of the foundations of competitiveness are considered the works of A. Smith, D. Ricardo, A. Marshall, I. Ansof, I. Schumpeter, M. Porter. Works by modern scholars such as G. Azoyev, L. Balabanova, J. Ivanov, S. Klimenko, L. Kobylyatskyj, S. Savchuk, R. Fathutdynov, A. Yudanov and others based on the research of these scientists. However, the questions of structuring of categorical apparatus of the theory of competition are still not enough explained despite the presence of plenty of scientific works which complicates the practical management issues of the company’s competitive potential.

The transformation of the economic system of Ukraine into the world economic space foresees providing intensive development of industries and companies the operation of which is aimed at meeting the needs of consumers. One of the socially and economically important areas of management is trade. The success of functioning and development of domestic enterprises requires an appropriate approach to the formation of its competitive strategy, the identification of competitive advantages. In turn this necessitates the definition and structuring of the basic concepts of the theory of competition and determination the competitive potential’s place in this structure.

Results.

Studying economic literature has allowed revealing that there are several economic categories in the theory of competition which in general characterize the competitiveness of the enterprise in one way or another. Analysis of competition and disclosure, on that basis, the competitive potential and competitive strategy taken together competitiveness’ relations is the methodological basis for studying of patterns of...
formation and functioning of a market economy. In this context, the definition of communication between the main concepts of the theory of competition will reveal the location of the competitive potential and determine the sequence of planned actions to achieve the desired result in the competition.

Thus, in the process of theoretical research, we have identified the following elements of categorical apparatus of the theory of competition: competitiveness, competitive environment, competitiveness - stability, competitive strategy, competitive potential, competitive advantage and others.

The concept of competitiveness as one of the most famous and fundamental economic categories is extensively enough investigated by experts concerning goods and services, branches of economy and spheres of life.

Determined versatility of application and research methods characterizes the complexity of the concept of "competitiveness" from a wide to a narrow understanding. The competitiveness of the company is one of the criteria of evaluating the effectiveness its activities and development. In the broadest sense competitiveness can be defined as the ability of the company to achieve their goals in the conditions of countering competitors (Mansurova, 2010). Just in this aspect social elements of the environment are particularly important: historical traditions that are inherent in territorial units within which the target segment of consumers, ethical norms, the type of worldview and moral principles are concentrated (Ansaul, 2009, p. 53).

Exactly the need of enterprises’ focusing on the presence of environment elements determines the presence in the theory of competition such thing as a "competitive environment", based on which it is possible in general to describe and give an assessment of competition at the macro level. Competitive environment defines the conditions under which business entities should carry out their activities, while trying to achieve the maximum economic result in the best use of their resources by implementing measures that will help in the long term attract more customers than their competitors have.

There are two types of competitive environment: direct and indirect influence - according to which the company directly can or cannot interfere and influence the course of its development. Traditionally, macro elements of indirect impact include the so-called PEST - factors that are manifested through political, economic, social, technical and technological factors. In turn, "5 forces" which were first summarized by N. Porter (Porter, 1985) and include assessment of such components as barriers to entry into the market, the number of suppliers, the presence of competitors, customers’ activity and substitute products quality, which of course have a significant effect on the studied company and have to be taken into account in a competitive analysis are offered to include to the direct influence of the competitive environment.

Most closely the concept of "competitive environment" correlates with the notion of "competitive strategy", which causes the competitiveness – stability and competitiveness. It should be noted that very often these concepts are identified in the economic literature, which is unacceptable because of the different features that are distinguished by these categories.

The concept of "competitiveness - stability" appropriate to consider in the light of its components - the competitiveness and sustainability. According to the analysis of literature (Erohin, 2006; Kulinyak, 2014; Kotler, 2001; Voytsehovskaya, 2006) competitiveness is often seen as a system of interrelated factors, which allows business entity effectively resist competitors by intensive use of existing competitive advantages based on rational use of resources. Given the fact that stability is the ability of a system to resist the changes of external environment over the long term, on the assumption of storing possibility of further development, a category of competitiveness (including the impact of competitive strategy) should be considered as the component of competitiveness - stability.

Actually, competitiveness – stability should be defined "... as the characteristics of an effective implementation of... company’s processes under competition conditions over the long term which is determined by interrelated and interdependent components (competitiveness and stability of an enterprise),binding complex of which provides a solution to the corresponding functional tasks" (Simeh, 2009, p. 5).

The decisive role in ensuring the competitiveness and so competitiveness - stability belongs to competitive strategy which first meaningful understanding was formed thanks to the works of M. Porteras "an occupation of a stable and a vantage place which will allow the organization to resist the pressure of the forces that determine the competitive struggle in an industry» (Porter, 1985, p. 25). Today the enterprise competitive strategy should be advisable defined as "... a set of measures which are based on the company’s competitive advantages and implemented in order to achieve and retain profitable competitive position and neutralize the impact of competitive forces" (Kulinjak, 2011, p. 95).
Thus, it has been determined that exactly competitive strategy by ensuring sustainability directly creates competitiveness - stability of a company which, in turn, is due to the level of the achieved company competitiveness determining component of which is a competitive advantage.

The term "competitive advantage" was first put forward by M. Porter (Porter, 1985). Under competitive advantages he interpreted set of certain factors of the company’s activity (from low costs to product differentiation) that determine its success in the competition. Kotler’s view which characterizes this economic category, as an advantage, "that an entity reaches over its competitors by offering a greater value or goods and services at lower prices than competitors or by offering consumers greater benefits that sufficiently compensate higher prices" slightly differs (Kotler, 2001, p. 417). In contrast to M. Porter (1985) F. Kotler (2001) connects competitive advantage with distinctive characteristics of separate products offered by the company rather than with the company and its capabilities. The view of the local researchers’ team which determines that the competitive advantage is represented as "...a concentrated expression of advantages over competitors in economic, technical, organizational fields of activity, which can be measured by economic indicators (extra profit, higher profitability, market share, etc.) most fully reflects the concept of "competitive advantage" (Competition and competition policy, p. 104).

The successful functioning and development of enterprises in modern business environment necessitates the determination of the appropriate approach to identify competitive advantages. In our opinion, exactly competitive advantages form competitive potential of objects and business entities which, in turn, foresees the necessity of definition of the competitive potential’s role and importance in the enterprise’s activity.

The study of the economic literature on the issues showed that the definition of "competitive potential" had significant changed - from defining it as a set of resources and capabilities (Voytsehovskaya, 2006; Lisenkov, 2008) and "part of overall capability" (Erohin, 2006) to understanding the competitive potential as a set of key factors of success (Goldshreyn, 1995) and components that are endowed with qualities of innovation and adaptability (Barinov, 2000).

Summarizing the results of research of the essence "competitive potential", we have determined that in most definitions of scientists attention is focused on following criterion of its identification:

1. Availability of resource component is the basis for forming potential of the company and its availability.
2. Availability of tools for the transformation of potential into competitive advantage.
3. Comparative analysis of potentials of the market’s competing entities.
4. Considering the influence of external forces, and in this regard, the ability of companies to adapt to the changing market conditions.
5. Link with the competitiveness of enterprises.

So as shown by the analysis the main categories of the theory of competition are closely linked and reveal the nature of competition in the competitive environment at micro level. If the level of competitiveness, as a relative measure, primarily reflects the use of the competitive potential of the company, to further define the main areas of competitive strategy. If competitiveness is a potential and competitive advantages are the level of using this potential. It turns out that the level of competitiveness of enterprises is based on the competitive potential and cannot be above it. If in a certain competitive environment, making full use of the competitive potential, an enterprise does not have sufficient competitive advantages, first of all should develop the measures to increase the competitive potential and its realization.

The visual presentation of the relationship of the competition theory’s main categories is demonstrated in Figure 1.

Discussion

Thus, based on the study of categorical apparatus of the theory of competition the main criteria of differentiation of the basic concepts taking into account the internal orientation of each have been identified. Structuring of categorical apparatus of the theory of competition can more efficiently solve such basic practical tasks as studying the requirements of the consumer market and potential customers demand, monitoring the market with the purpose of gathering information about the conditions of sales, competing enterprises and products; construct a generalized model of competitive potential management taking into account a lot of factors impact on ensuring the proper level of competitiveness - stability; determine the main target planned activity guidelines of trade enterprises by criteria of providing competitiveness.
Fig. 1. The hierarchy of concepts of the competition theory’s categorical apparatus, authoring

References