

COMPETITIVENESS OF THE ENTERPRISE ENTERING A FOREIGN MARKET

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Statement of the problem in general. Currently, many enterprises are seeking to enter foreign markets. Foreign markets make it possible to more fully realize the potential of the enterprise and provide new sales opportunities for products. If an enterprise decides to enter a foreign market, then an important role is given to planning and practical implementation of finding the ways of increasing its competitiveness. Currently, issues of targeted planning and forecasting development when entering a foreign market are not detailed studied.

Analysis of recent research and publications. The problems of increasing the competitiveness of enterprises, including those on foreign markets, have been considered in the works of such scientists as: M. Porter, I. Ansoff, N. Dmitrieva, O. Gabinskaya and others. However, these issues require further objective study.

The aim of the study is to generalize methods for the competitiveness analysis of an enterprise and propose measures to increase it when entering a foreign market.

Presentation of the main study materials. One of the main strategic goals of many enterprises is to expand their own activities by entering a foreign market. However, it should be borne in mind that the functioning on a foreign market is determined not only by the influence of various economic, political, cultural, legal factors, but also by the claiming of higher requirements and, as a result, the increase in the cost of manufacturing and selling high-quality goods. For this reason, the

entrepreneur should correctly assess the competitiveness of the enterprise, set priorities taking into account the existing advantages, disadvantages, as well as opportunities and threats.

The competitiveness of the enterprise is determined by its ability to meet the needs of interested parties in comparison with similar enterprises. To determine its own competitive status, the enterprise needs to carry out a competitiveness analysis, which allows it to determine its organizational and economic position on the market at various levels (industrial, regional, international).

The purpose of the competitiveness analysis is to develop measures to increase company's possibilities, identify counterparties for joint activities, enter new sales markets and carry out investment activities.

There are a lot of methods for competitive advantages analysis, most of which are based on the following provisions:

- identifying of customers' needs and desires in order to provide them goods and services having high probability of purchase;

- identification of those segments of the market which provide favorable business opportunities;

- development of the concept of production high-quality goods by offering the very best ones in its product category;

- providing successful scheme of marketing goods with high probability of sale on the target market;

- foresee the ways of dealing with increased competition on the market taking into account the increasing complexity of market conditions.

The competitiveness analysis brings a positive result in case of adjustment of factors that determine consumer interest in existing products. According to M. Porter, five factors should be distinguished related to production factors and helping to achieve competitive advantage in a foreign market (Fig. 1).

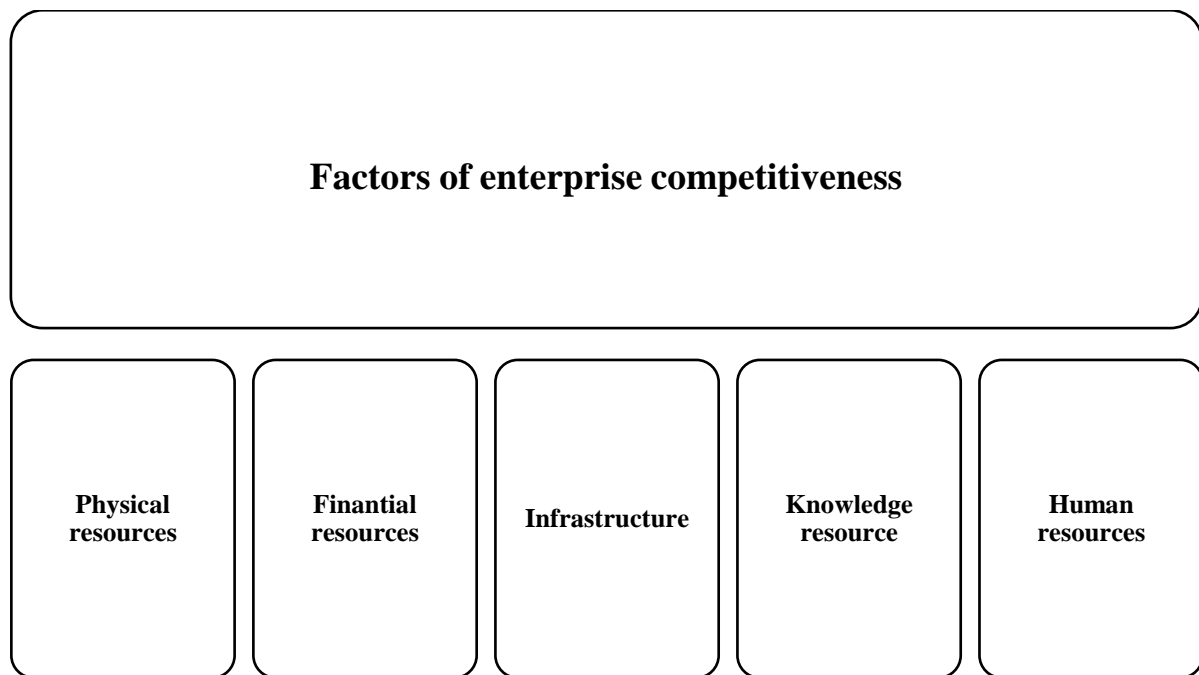


Figure 1. Factors of competitiveness according to M. Porter

The analysis of competitiveness factors helps to determine export potential of the enterprise, i.e. the ability to produce and sell competitive products in the necessary volume on a foreign market. Analysis of export potential is carried out in several stages:

the first stage includes identification of the strengths and weaknesses of the enterprise by studying the following factors: the availability of a registered trademark, meeting international standards ISO, international accreditation standards; technological level of production and labor productivity; appropriate qualifications of employees, experience in the field of foreign economic activity, etc.;

the second stage is based on the analysis of the status of the enterprise on the domestic market, and the possibility of providing support from the state in the form of boosting exports is evaluated, i.e. providing low interest on loans, preferential taxation, subsidies;

at the third stage - identification products' appropriateness for participation in export activities;

the final stage is based on the analyzing various trends and aspects of the functioning of a given product or service. study of the state of particular industry on the global market.

Analysis of the export potential of the enterprise will help identify shortcomings that adversely affect the level of competitiveness of the enterprise, both in general and when entering a foreign market.

Summarizing the main problems that enterprises face when entering a foreign market, we can offer a number of measures to increase the competitiveness of the enterprise:

improvement of product quality, including the introduction of innovative technologies and technical means, use of highly qualified specialists labor; attraction of investment and innovation activity;

cost reduction, including the rational use of resources in the production process; improvement production planning; improvement of production technologies, logistics and R&D, personnel management and organizational culture;

benchmarking implementation, i.e. conducting a systematic, continuous search and studying the best practices of competitors and players in related industries, constantly comparing desired results and business changes with the developed reference model. Using benchmarking allows a company to apply the best practices of other companies in the process of functioning of the enterprise, which allows it to increase its performance.

Conclusion. Entering a foreign market is a crucial step towards the development of any enterprise, which should be carried out consciously. For this reason, assessing the competitiveness of the enterprise and the application of measures to increase them are necessary for the effective functioning of the enterprise on a foreign market.