



UDC 339.137.2

COMPETITIVE ADVANTAGES

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One of the main problems of maintenance of the competitive status of the enterprise is the ability to find and achieve competitive advantage. The term "competitive advantage" reflects the characteristics of excellence of a product, brand or company over competitors in the marketplace. These properties or attributes may be different and can be treated as the most basic commodity, and additional services, forms of production and marketing, specific to the enterprise or product. In order to achieve success and prosperity, every business has to find the sources of this superiority, to create conditions for its implementation and on this basis to develop their own competitive business strategy. In the basis of competitive advantage, there is specific experience and skills, the professionalism of the company, not possessed by competitors and which they cannot acquire in a short period of time. In this sense, the formation of competitive advantages essentially identical to the development of competitive strategies as a way to achieve advantages in a particular market.

Competitive advantage is characteristics of the goods or trademark, which create certain advantages for the organization over its direct competitors. These characteristics (attributes) can be very diverse and apply to both the product and additional services accompanying basis towards the forms of production, marketing or sales.

Competitive advantage that determines the position of the enterprise in the industry, consists either in the ability of the company to develop, produce and sell a comparable product with lower costs than rivals or the ability to provide the buyer unique and higher value in the form of a new quality of goods, special consumer properties or after-sales service.

- In the first case, the company gets more profit by selling the product at the same price as the competitors.

- In the second case, with equal competitors cost, the company more profit makes higher prices compared to the competitors.

But even imperfect competition is better than any other method of regulation. Profit maximization by a monopolist has the end - it should not attract market competitors. On the other hand, innovative competition moves opportunity to make enormous profits. Only owners of unique resources or abilities can make extremely profitable leap forward; they might not use them under ordinary conditions.

However, the management of enterprises should pay attention to both types of competitive advantage, although strictly adhering to one of them.

Competition in the market, acts as a perfect all-knowing center of the regulator. The perfect substitute for it it would have been if it was perfect, and it is impossible in the conditions of innovative economy, where it is impossible to do without sufficient centralized capital and license monopoly.

The competition is necessary in case when we can't say who will do the job better than others. The competition is one of the effective ways to solve this problem, for, promoting do the job better than the nearest rival, helps to show the best of human ability.

The company, which has focused on low cost, must provide acceptable quality and service. In the same way the goods of the company, producing differentiated products, should not be more expensive than competitors' products, for being to the detriment of the enterprise.

The search for competitive advantage should be a continuous process for the enterprises in market conditions. This will help them to survive in the market.