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## **PROBLEMS OF ASSESSING THE COMPETITIVENESS OF PRODUCTS AND COMPANIES IN MODERN CONDITIONS**

### **Annotation**

This article discusses methodological approaches to assessing the competitiveness of companies and the competitiveness of goods, indicators and evaluation criteria.

**Key words:** competitiveness of goods, competitiveness of companies, real and projected competitiveness, methods of assessing competitiveness, criteria for assessing competitiveness, analytical, graphical methods of assessing competitiveness.

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## **Қазіргі жағдайда өнімдер мен кәсіпорындардың бәсекеге қабілеттілігін бағалау мәселелері**

### **Аннотация**

Бұл мақалада компаниялардың бәсекеге қабілеттілігін және тауарлардың бәсекеге қабілеттілігін бағалаудың әдістемелік тәсілдері, бағалау көрсеткіштері мен критерийлері қарастырылады.

**Түйінді сөздер:** тауарлардың бәсекеге қабілеттілігі, компаниялардың бәсекеге қабілеттілігі, нақты және болжамды бәсекеге жарамдылық, бәсекеге қабілеттілікті бағалау әдістері, бәсекеге қабілеттілікті бағалау критерийлері, бәсекеге қабілеттілікті бағалаудың аналитикалық, графикалық әдістері.

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## **Проблемы оценки конкурентоспособности продукции и предприятий в современных условиях**

### **Аннотация**

В данной статье рассматриваются методические подходы к оценке конкурентоспособности компаний и конкурентоспособности товаров, показатели и критерии оценки.

**Ключевые слова:** конкурентоспособность товаров, конкурентоспособность компаний, реальная и прогнозируемая конкурентоспособность, методы оценки конкурентоспособности, критерии оценки конкурентоспособности, аналитические, графические методы оценки конкурентоспособности.

In his message to the people, President Kassymzhomart Tokayev not only pointed out

the main problems in the country's economy, but, most importantly, outlined ways to solve

them. The systemic problems of the country's economy, as noted, are commodity dependence, low labor productivity, insufficient level of innovation, and uneven income distribution. In his Message, the President of the country noted that in order to achieve the state goals, it is necessary to modernize existing production facilities, create conditions for entrepreneurship, stimulate innovation, and increase the competitiveness of the national economy. At the same time, Kazakhstan took 37th place in 2023 with a score of 66.11 points in the IMD-2023 World Competitiveness Ranking. [1]

Thus, the problems of ensuring the

competitiveness of domestic enterprises and domestic products are given great attention as they are extremely important in the modern conditions of development of Kazakhstan.

It should be noted that the competitiveness of the company is characterized by a set of parameters that determine the chances and ability of the company to function effectively in the market at the current time and in the future.

In the economic and scientific literature of foreign and domestic authors, there are many approaches to defining the concept of “competitiveness” (Table 1).

Table 1 – Approaches to the definition of the concept of “competitiveness”\*

Author	Definition
R. Fatkhutdinov	The properties of an object characterized by the degree of real or potential satisfaction of a specific need in comparison with similar objects presented in this market [2]. The advantage of the company in relation to other firms in the industry within the country and abroad [3]
M. Porter	The properties of a product, service, or subject of market relations to act on the market on an equal basis with similar goods, services or competing subjects of market relations present there [4]
A.M. Alekseeva	The dynamic ability of an object capable of meeting the parameters of consumer demand is no worse than similar objects in this market, achieved as a result of managing competitive advantages in environmental conditions [5]
M. Gelvanovsky	Possession of properties that create advantages for the subject of economic competition [6]
H.A. Fashiev	The real or potential ability of a company to develop, manufacture, sell and service competitive products in specific market segments, that is, goods that surpass analogues in quality and price parameters and are in higher priority demand among consumers [7]
G.L. Azoev	The ability of the product to more fully meet the needs of customers, in comparison with analogues presented on the market [8]

\*compiled by the authors

Thus, as it can be seen on the basis of the presented definitions, the competitiveness of the product and the competitiveness of the company are discussed and defined. The competitiveness of a particular product is determined by the competitive advantages of this product and the prices set by sellers of other similar products. In other words, the competitiveness of a product is a skillful maneuvering in the market space and in time.

The competitiveness of an organization is the ability to successfully compete in the market and receive relative economic and other benefits from the competitors.

In general, there are three levels of ensuring the competitiveness of the organization:

- operational level (ensuring the competitiveness of products);
- tactical level (ensuring the stable general condition of the organization);
- strategic level (characterizes the formation of the investment attractiveness of the enterprise and the growth of the company's value).

At different levels, there is a close relationship and interdependence between the concepts of competitiveness. The

competitiveness of facilities at each lower level is a factor in the competitiveness of facilities at all higher levels, and facilities at higher levels create conditions that ensure the

competitiveness of facilities at lower levels [9]. The interrelationship and interdependence of different levels of competitiveness are shown in Figure 1.

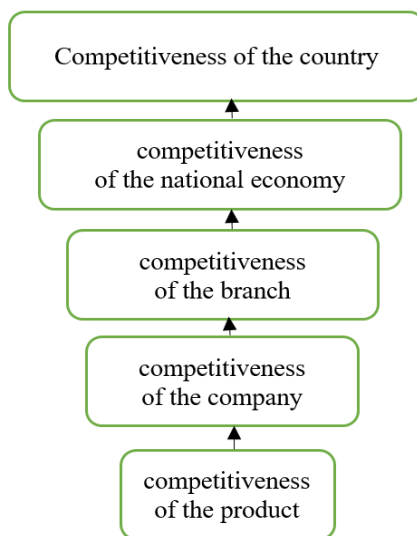


Figure 1 – The pyramid of competitiveness.

The assessment of the competitiveness of an enterprise and its products (services) occupies a huge place in the management of a company, since on the basis of these data it is possible to make decisions about further development strategies.

The competitiveness of a product is a set of features of an object, with the help of which the buyer is satisfied and realizes his need and want to purchase it in a set period of time in the free market of the provided goods, comparing them with products of a similar type and value. This is the ability of a product to be sold on the market in a short time in maximum volume with minimal losses.

The competitiveness of a product is an indicator of the complete satisfaction of the customer's demand in comparison with a similar product on the competitor's market.

Currently, there are many methods for assessing the competitiveness of a product. They depend on the level, and the availability of information about the parameters being compared.

Competitiveness, depending on the objectives of the assessment, can be real and predictable.

Real competitiveness is based on the ability of a product to meet the needs of a customer. The actual values of the data are

analyzed using experimental methods and empirical estimates.

Projected competitiveness is the expected ability of a product to meet the needs of a potential customer. In this method, the indicators provided for in planning, development and design or characteristics of goods that occupy a leading position in the market are normalized by standards and specifications [10].

It should be noted that the problem of assessing the competitiveness of products and the enterprise, is complex and difficult, still it is extremely necessary to add efforts and resources to achieve the desired results.

The assessment of competitiveness always starts with defining the purpose of the study. If the purpose of the study is to determine the position of any product among similar ones, it will be sufficient to conduct a direct comparison of their main parameters. The study, which focuses on assessing the prospects for the sale of goods in a particular market, involves conducting an analysis using information about changes in market conditions, about goods, entering the market, the dynamics of demand, the expected changes in the relevant legislation and others.

Achieving this goal requires solving the following tasks:

- assessment and forecasting of the competitiveness of the enterprise;
- study of factors affecting the level of competitiveness;
- development of measures to ensure the necessary level of competitiveness of the enterprise.

To solve the tasks outlined above, it is necessary to choose methods and indicators for assessing the competitiveness of products and enterprises.

Let's consider the indicators of product competitiveness (Table 2).

Table 2 – Product competitiveness indicators\*

Group of indicators	Content
Economic	The cost of purchasing the goods (the price of the goods, transportation and delivery costs, installation costs), the cost of operating the goods (raw materials, materials and energy costs, maintenance and reparation costs, insurance costs, taxes, and other costs)
Quality	Normative (compliance with standards and GOST standards), functional (versatility of application, perfection of auxiliary and basic functions), ergonomic (hygienic, anthropometric, psychophysiological, psychological), aesthetic (artistic expressiveness, rationality of form, integrity of composition, perfection of production performance, stability of presentation), reliability in consumption (reliability, durability, maintainability)
Marketing	Brand awareness, product image, image of resellers, image of suppliers

\*compiled by the authors

An objective assessment of the level of competitiveness of products can be made only on the basis of criteria used by the consumer for

whom this product is intended.

The company's competitiveness indicators are presented in Table 3.

Table 3 – Indicators of the company's competitiveness\*

Indicators	Content
Financial	Cost, profit margin, asset structure assessment, investment attractiveness, return on invested capital
Production	Return on assets, production capacity, equipment usage, number of employees, quality control systems, productivity, equipment service life, etc.
Organizational and managerial	Employee productivity, the speed of management's response to changes in the external environment, the clarity of the division of responsibilities, the type of organizational structure of management, etc.
Marketing	Market share, company reputation, advertising effectiveness, number of customers, pricing policy, quality of service, etc.
Technological	New products, applied standards, R&D costs, level of artificial intelligence (AI) and robotization – applied and planned, etc.
Personnel	The level of qualification of personnel, the level of training of sales personnel in technical fields, etc.

\*compiled by the authors

Therefore, when analyzing the competitiveness of a company, quantitative and qualitative characteristics of various areas of the organization's activities are determined.

To effectively manage the competitiveness of an organization, it is

necessary to use objective assessment methods. There are a large number of approaches to assessing competitiveness, depending on the available information, the method of evaluation, management decision-making capabilities and other criteria that are relevant to the

organization's activities.

In international and domestic practice, the following approaches are distinguished for assessing the competitiveness of an enterprise:

- approaches based on the theory of effective competition (highlighting the areas of activity of the organization in relation to departments and their functionality (production, finance, personnel, marketing, etc.), putting down a point-rating assessment of the activities of each direction and calculating an integral indicator);

- matrix approaches (determination of the market share of each product, grouping of components, the ratio of the number of products

and characteristics of the competitiveness of the company based on the results);

- approaches based on the competitiveness of products (highlighting the basic characteristics of the company's products, calculating economic and parametric indices, determining the integral indicator);

- integrated approaches (determination of the current competitiveness of the enterprise and its potential level, calculation of the integral indicator) [11].

Thus, all methods of assessing competitiveness can be divided into analytical and graphical (Table 4).

Table 4 – Methods for assessing the competitiveness of companies\*

Methods	Content
<i>Analytical</i>	
Rating assessment	Comparative analysis, which is carried out based on the degree of importance of each parameter. As a result of the calculation, the final score of the enterprise is obtained
Assessment based on market share	Calculation of the subject's market share and construction of a competitive map. The result of the evaluation is a value obtained by calculation, on the basis of which the result can be graphically displayed
Assessment based on the norm of consumer value	Determination of consumer value by the main evaluation blocks and determination of the weighting coefficients of each block using the expert method and calculation based on their indicator of competitiveness
Evaluation based on the theory of effective competition	The main assessment tool is a parametric analysis of four main groups of indicators combined with a comparative analysis based on the degree of importance of each parameter
Assessment based on the definition of operational efficiency and strategic positioning	Analysis of the calculation of three coefficients (operational efficiency, innovation, adaptability) and calculation of the overall assessment of competitiveness
<i>Graphical</i>	
A matrix based on the product life cycle	It is based on the product life cycle model, according to which the product goes through four stages in its development: market entry, growth, maturity and decline. At the same time, the cash flows and profits of the enterprise also change: negative profits are replaced by growth and then a gradual decrease
The attractiveness of the market – advantages in competition model	It includes nine squares, and the analysis is carried out according to the following parameters: the attractiveness of the strategic management zone and the position in the competition
The Porter Matrix	A study that allows you to analyze the strategic capabilities of a business, assess its potential for competent positioning and occupation of a certain niche in the market
The polygon of competitiveness of the enterprise	Calculating the values of competitiveness parameters and plotting them on a diagram, where the axis reflects the level of values of each indicator for each enterprise under study

\*compiled by the authors

Each method has advantages and disadvantages, and determining the effectiveness of a particular analysis method will depend on the market environment in which the company operates.

The competitiveness of products is a decisive factor in the economic success of an enterprise in the very competitive market environment. Analytical and graphical evaluation methods are used to evaluate it. Graphical methods for assessing the competitiveness of products coincide with graphical methods for assessing the competitiveness of an enterprise, therefore, let's consider in detail the analytical methods presented in Table 5.

Table 5 – Analytical methods for assessing the competitiveness of products\*

Name of the method	Characteristic
The Rosenberg Model	The consumer evaluates the goods in terms of their suitability to meet their own needs
Grebnev's method	Formation of a reference model in the context of selected parameters from the perspective of buyers and an assessment of the quality level or consumer effect of their product and competitors' goods. Calculating the price of consumption of one's own product and determining the price of consumption of a competitor's product, taking into account the selling or retail price and operating costs during the period of use of the product. Calculation of the integral indicator of the competitiveness of your product
Assessment of competitiveness based on sales level	A relative characteristic of a product, expressing the degree of its preference in a given market for an analog product. The criterion is the relative share of sales of the evaluated product in comparison with a competitor
Calculation of the integral competitiveness indicator	Individual indicators of the competitiveness of a product are determined by comparing them with basic, reference indicators or indicators for competing products
A model with an ideal point	An additional component is introduced – the ideal value of the product characteristics. Competitiveness is determined by the magnitude of the deviation of this estimate from the ideal value

\*compiled by the authors

The disadvantage of the considered methods is their limitations: either the assessment of one group of factors affecting the competitiveness of the enterprise, for which there is no enough reliable data, or the complexity of the method with time-consuming practical use. The lack of enough reliable data, especially when we intend to analyze the product competitiveness in another market, is a big limitation. In such cases using only one method does not give a complete picture of the level of competitiveness, so an integrated approach is needed as it may reduce the risks in making export or investment decisions.

The differential method allows us to state the fact of the competitiveness of products or the presence of disadvantages in comparison with an analog. In this method, the weight of each evaluation parameter is not taken into account when choosing a product by the consumer.

The mixed method implies a combination of complex and differential methods. A part of the parameters calculated by the complex method and a part of the parameters calculated by the differential method are used.

Thus, having analyzed the existing methods, it can be concluded that with a variety of options, there is no single methodology covering a complete assessment of competitiveness, the choice of a specific method depends on the objectives of the assessment, as well as the market environment in which the enterprise operates.

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