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THEORETICAL AND METHODOLOGICAL APPROACHES FOR PRODUCT COMPETITIVENESS' CONCEPT DISCLOSURE

The main goal of the research paper is to provide the most complete description for «product competitiveness» term and develop methodological approaches for product competitiveness assessment, based on a study of world's economists' scientific works. In the research process the theoretical and methodological model of the competitiveness' fundamentals was developed. In the model the importance of relationship between product, economic sectors, territorial areas competitiveness levels, that should be adequate to the requirements of global and national economy's development, resistant to external factors of world and local markets, was determined. Also, in order to evolve the most complete description for the product competitiveness term, the systematic model that is based on the consumption and economic indicators of the product was developed. The author's interpretation for the term «product competitiveness» was provided in the article. Furthermore, the methodology for the product competitiveness assessment was developed and the equation that is based on the product's quality and price indicators was compiled by the authors. In the end of the research paper the influence factors of product competitiveness were analyzed. It was stated that enterprises have an opportunity to increase the level of competitiveness of its product through the effective management of internal factors of influence, which often require investments and innovative changes.

This article will be interesting for scholars who investigate competitiveness term at different levels. The practical significance of the work could be considered as useful teaching material in the study process and in the process of product competitiveness assessment and strategic planning of enterprise's activity.

Keywords: competition, competitiveness, price, quality, production costs, unit costs, sales costs, indirect taxes, profitability, investment, innovation.

Кілт сөздер: бәсеке, бәсекеге қабілеттілік, баға, сапа, өндірістік шығындар, меншікті шығындар, сату шығындары, жанама салықтар, табыстылық, инвестиция, инновация.

Ключевые слова: конкуренция, конкурентоспособность, цена, качество, производственные издержки, удельные издержки, торговые издержки, косвенные налоги, прибыльность, инвестиция, инновация.

JEL classification: D4, F12, L13

Introduction. In the conditions of countries' open market economies, as well as their dynamic development markets, the problem of forming a stable competitiveness of goods, enterprises and the country as a whole has become particularly relevant. The main reasons are that the issues of growing volatility of the economic sector and the lack of theoretical and methodological approaches to revealing the main aspects of creating and developing competitive advantages remain unresolved.

The research paper's main goal is to provide the most complete description of «product competitiveness» term and develop methodology of product competitiveness' assessment based on a study of domestic and foreign economists' scientific works, who represents various areas of economic thought. In order to achieve the mentioned goal, the authors highlighted the several tasks, such as:

- to develop theoretical and methodological model of the competitiveness' fundamentals;
- to elaborate the systematic model of the product competitiveness;
- to enhance the methodology and to compile the equation for the product competitiveness assessment;
- to analyze the influence factors of product competitiveness.

The research results given in this article can be used as material for studying the theoretical background of competition and competitiveness.

Material and methods. The methodological basis of the research paper was the modern theory of the competitiveness of product, enterprises and industries. As the main research methods were used: dialectical, analytical and synthetic methods. The competitiveness of product was considered from the standpoint of subjective and objective points of view, as the degree of compliance of product to similar products on the

market based on an assessment of its characteristics in accordance with the requirements of consumers and the market, as well as the process of an enterprise's actions to ensure and achieve compliance of products with these characteristics, taking into account all factors of the market environment.

Literature review. In the world science there are a large number of research papers devoted to product competitiveness study. The researchers' scientific views are focused on the conceptual apparatus, external and internal factors of influence, the methodology for assessing the competitiveness of product. According to A. Dresch, D. Collatto and et al. competitiveness is presented as an opportunity (potential ability) of market entities and objects to outperform competitors in the current market conditions [1]. Whereas by other group of researchers (F. Chen, Y. Wei and et al.) competitiveness is considered as a process of the market entity's actions in terms of its compliance or compliance of the object (product) with the level of competition in the market [2].

As stated by American economists G. Armstrong and F. Kotler the actions of market subjects in relation to competitiveness must constantly be in manageable conditions. The main subjects of competitiveness should be considered as: manufacturers or enterprises, consumers, investors and the state. The whole actions of competitiveness subjects are focused on the objects of competitiveness such as: product and service [3]. The issue of ensuring the competitiveness of product on the example of the food industry was studied by Kazakh scientists such as A. Rasulova, S. Bolatkyzy and et al. They noted the need to create a system for monitoring the level of product competitiveness that would meet all the necessary requirements of national and international quality standards [4]. As we can see, there has been much speculation among researchers on a more precise definition of competitiveness. Thus, it is relevant to consider the criteria for highlighting competitiveness in the context of a product, enterprise, industry and the economic system as a whole.

Main part. The business communications in the market economy can be conditionally subdivided into three levels: micro-level (products and enterprises) – characteristics that reflect the quality and prices of products; meso-level (economic sectors) – characteristics that ensure a sustainable improvement in the indicators of the efficiency of using the existing production resources of industries; macro-level (countries) – characteristics that reflect the general state of economic systems, their balance, investment climate [5].

The product competitiveness is the fundamental basis for the competitiveness of manufacture and national competitiveness. Nevertheless, in reverse order, the economic system's organization at the national level and the production economy's organizational level determine product competitiveness, that is shown in Figure 1.

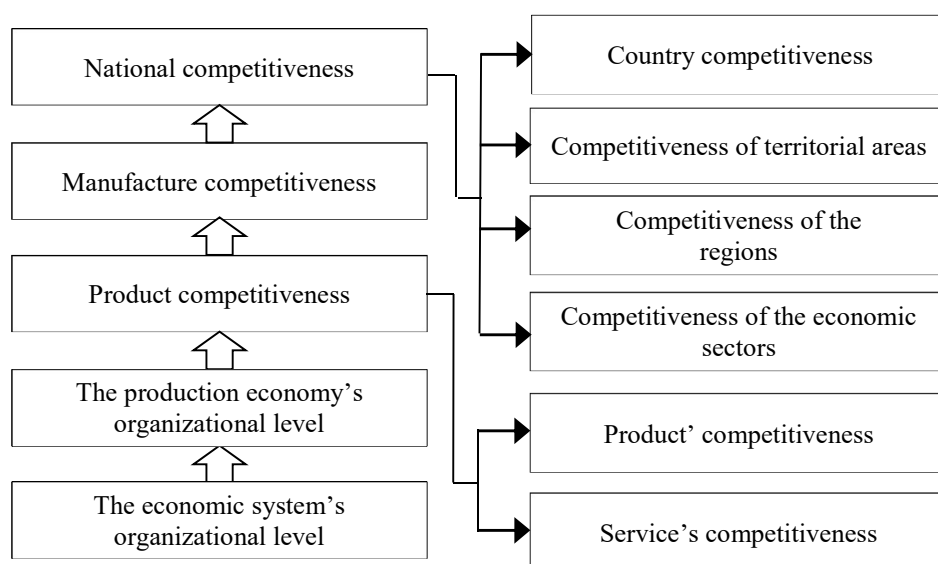


Figure 1. **The fundamentals of competitiveness***

* Compiled by the authors according to the source [1-3]

Country and its economic sectors' competitiveness, emerging at macro and meso levels of competitive relations, ultimately depend on the ability of specific producers to manufacture competitive product at micro level. But, on the other hand, the release of competitive product can be carried out in conditions created for producers in the industry and in the country as a whole. Thus, the competitiveness of objects of

each lower level is a factor of the competitiveness of objects of all higher levels. In turn, the objects of higher levels create conditions that ensure the competitiveness of objects at the lower levels.

Studying the theoretical essence and components of product competitiveness, it is possible to establish that there are two main tools for ensuring product's competitiveness: quality and price. The product competitiveness's concept can be presented systematically in the following diagram in accordance with Figure 2.

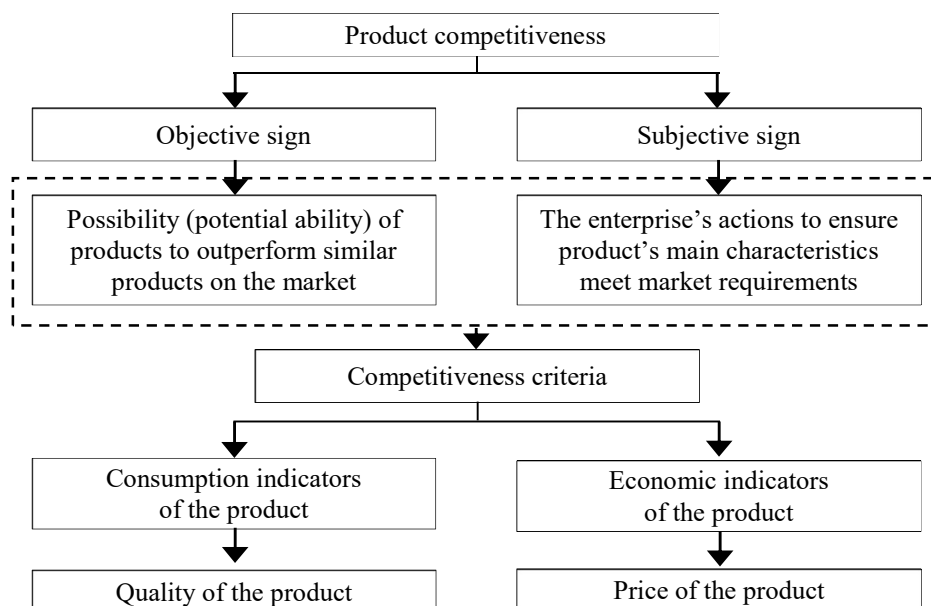


Figure 2. **Product competitiveness as a market phenomenon***

* Compiled by the authors according to the source [5, 6]

The main product criteria that determine its competitiveness are the following: a set of consumption indicators that form product's quality and a set of economic indicators that form the product's price. In turn, consumption indicators of product are usually considered as «hard» and «soft» indicators. Hard indicators of product quality are systematized in two areas: technical and normative indicators. The aesthetic (color, design, packaging) and psychological (prestige, attractiveness, accessibility) features are referred to soft indicators of the product. The economic indicators that determine the competitiveness of products include all the resulting pricing factors: production cost, unit costs, product profitability, product sales costs, profit [6].

Thus, in our view, the description of the term product competitiveness presented in the modern theory should be supplemented with the author's definitions:

- the competitiveness of product is the degree of conformity of product to similar products on the market based on the assessment of its characteristics in accordance with the requirements of consumers;
- the competitiveness of product is the process of the enterprise's actions to ensure the achievement of the degree of conformity of the manufactured product to the characteristics, in accordance with the market requirements.

The resulting aspects of the objectivity and subjectivity of quality is the fact that objectivity forms a conditional static quality, and subjectivity makes quality a dynamic value. As a general consequence, product quality, as a complex indicator, is always dynamic. Taking into account the latter, quality, as a certain quantity, can be represented by the following equation:

$$\left\{ \begin{array}{l} Q_P = \sum I_{T,N} + \sum I_{A,P}, \\ I_{T,N} - \text{const.} \end{array} \right. \quad (1)$$

Q_P – quality of the product;
 $I_{T,N}$ – technical and normative indicators;
 $I_{A,P}$ – aesthetic and psychological indicators.

Note – Compiled by the authors according to source [5]

In the pricing system, all components of the price are dynamic. Price as an indicator of measuring the cost of product can be calculated by the following equation:

$$P_p = \sum I_{PC} + \sum I_p + \sum I_{IT}, \quad (2)$$

P_p – price of the product;
 I_{PC} – indicators of production costs;
 I_p – indicators of profitability of production and sales;
 I_{IT} – indicators of indirect taxes.

Note – Compiled by the authors according to source [5]

The product price, as a resulting indicator, when compared with indicators of product quality, can be estimated in conditional indicators (points, expert assessments). Based on the equations describing the product's quality and price, it is possible to present an equation that describes the competitiveness of product:

$$C_p = \sum I_{T,N} + \sum I_{A,P} + \sum I_{PC} + \sum I_p + \sum I_{IT}, \quad (3)$$

C_p – competitiveness of the product.

Note – Compiled by the authors

The equation describing the competitiveness of product indicates that competitiveness is a dynamic value and can have a different measurable degree.

The competitiveness of products depends on the factors of influence, which in classical economic theory are divided into external (macro and micro-environment) and internal environmental factors.

Within the framework of the macro environment, competitiveness is influenced by such factors as the international environment, the functioning of the political and economic system of the state, the socio-demographic environment. Factors of the international environment are characterized by general trends in the state's economy and development of the world economy, global market conditions, prices for strategic resources, science, scientific and technological progress, innovations, migration flows of human resources, economic and diplomatic relations between countries. All external factors of the macro environment are beyond the capabilities of modern enterprises to directly influence and manage them, but they are should be taken into account in the policy development for the competitiveness of manufactured products. Meanwhile, micro-environment factors such as resource providers, service providers, competitors and consumers can be controlled by enterprise in order to find the optimal balance of cooperation with them and achieve a high superiority over competitors.

In the system of factors affecting the competitiveness of product, internal environmental factors, such as the enterprise's management system, resource potential and resulting production parameters, also play an important role. The leading fundamental basis for the competitiveness of the company's product is formed at the stage of formation and subsequent development of the management system, within which both the quality policy and the pricing policy are formed and developed.

Conclusion. The conducted research on the study of theoretical and methodological aspects of product competitiveness allowed the authors to develop the model of «the fundamentals of competitiveness». In the model product competitiveness is interpreted according to the system of production economy's organizational level. It is mentioned that product competitiveness determines higher hierarchies' systems competitiveness. Thus, product competitiveness obtains paramount importance in the economic system, along with other objects of the competitiveness.

The product competitiveness concept was analyzed as a market phenomenon and taking into account the objective and subjective signs of the product, the authors' interpretation was provided to the investigated term. For evaluation of the product competitiveness level, an equation, that is based on economic and consumption indicators of the product, was compiled by the authors.

Under the influence of external environmental factors and the prevailing factors of the internal environment, enterprises develop a set of measures to increase the product competitiveness that cover organizational and investment decisions for the medium-term or strategic periods. Thus, the development of the methodological bases to determine investment volume and its use effectiveness, as well as the

development of organizational and economic mechanisms to increase product competitiveness can be considered as relevant areas for further research.

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ӨНІМНІҢ БӘСЕКЕГЕ ҚАБІЛЕТТІЛІК ҰҒЫМЫНЫҢ МӘНІН АШУДАҒЫ ТЕОРИЯЛЫҚ-ӘДІСНАМАЛЫҚ ТӘСІЛДЕР

Аңдатпа

Зерттеу жұмысының негізгі мақсаты – «өнімнің бәсекеге қабілеттілігі» терминінің толық анықтамасын беру және әлем экономистерінің ғылыми еңбектерін зерттеу негізінде өнімнің бәсекеге қабілеттілігін бағалаудың әдістемелік тәсілдерін жетілдіру. Зерттеу процесінде бәсекеге қабілеттілік негіздерінің теориялық-әдістемелік моделі әзірленді. Әлемдік және ұлттық экономиканың даму талаптарына сәйкес келетін, дүниежүзілік және жергілікті нарықтың сыртқы факторларына төзімді болатын өнімнің, экономикалық секторлардың және өңірлердің бәсекеге қабілеттілік деңгейлері арасындағы байланыстың

маңыздылығы анықталды. Сондай-ақ, мақалада «өнімнің бәсекеге қабілеттілігі» терминіне толық анықтама беру мақсатында өнімнің тұтынушылық және экономикалық көрсеткіштеріне негізделген жүйелі моделі құрастырылып, зерттелетін терминге авторлық анықтама берілді. Мақала авторлары өнімнің бәсекеге қабілеттілігін бағалау әдістемесін жетілдіріп, өнімнің сапа және баға көрсеткіштеріне негізделген теңдеу құрастырды. Зерттеу жұмысының соңында өнімнің бәсекеге қабілеттілігіне әсер етуші факторлар талданды. Кәсіпорынның инвестиция мен инновациялық өзгерістерді қажет ететін ішкі әсер ету факторларын тиімді басқару арқылы өз өнімінің бәсекеге қабілеттілік деңгейін арттыруға мүмкіндігі бар екендігі тұжырымдалды.

Бұл мақала бәсекеге қабілеттілік терминін әртүрлі деңгейде зерттейтін ғалымдар үшін қызықты болады. Жұмыстың практикалық маңыздылығы зерттеу нәтижелерін оқу процесінде, сондай-ақ өнімнің бәсекеге қабілеттілігін бағалау және кәсіпорын қызметін стратегиялық жоспарлау үшін қолдану мүмкіндігімен айқындалады.

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ТЕОРЕТИКО-МЕТОДОЛОГИЧЕСКИЕ ПОДХОДЫ К РАСКРЫТИЮ ПОНЯТИЯ КОНКУРЕНТОСПОСОБНОСТИ ПРОДУКЦИИ

Аннотация

Основная цель исследования – дать наиболее полное определение понятию «конкурентоспособность товара» и усовершенствовать методологические подходы к оценке конкурентоспособности товара на основе изучения научных трудов экономистов мира. В процессе исследования была разработана теоретико-методологическая модель фундаментальных основ конкурентоспособности. Важное значение имеет взаимосвязь между уровнями конкурентоспособности продукции, отраслей экономики и территориальных областей, отвечающих требованиям мировой и национальной экономики, устойчивых к внешним факторам глобального и локального рынков. Также в целях предоставления наиболее полного определения термина «конкурентоспособность товара» в статье была разработана систематическая модель, основанная на потребительских и экономических показателях товара, и дана авторская трактовка исследуемого термина. Авторами статьи усовершенствована методология оценки конкурентоспособности продукции и составлено уравнение, основанное на качественных и ценовых показателях продукции. В завершение исследования были проанализированы факторы влияния на конкурентоспособность продукции. Констатировано, что предприятие имеет возможность повысить уровень конкурентоспособности своей продукции за счет эффективного управления внутренними факторами влияния, которые зачастую требуют инвестиций и инновационных изменений.

Данная статья будет интересна ученым, которые исследуют понятие конкурентоспособности на разных уровнях. Практическую значимость работы можно рассматривать как полезный методический материал в учебном процессе, а также в процессе оценки конкурентоспособности продукции и стратегического планирования деятельности предприятия.

