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FINANCIAL ASPECTS OF INTERNATIONAL COMPETITIVENESS ENSURING IN FOREIGN MARKETS

Competitiveness of the enterprise is one of the main indicators of the success of its activities, as in the domestic and foreign markets. It includes a system of factors that determine whether a company is able to compete on the market. Firstly, these are internal factors such as: the economic stability of the enterprise, the level of R&D expenditures, the features of enterprise management and production capacity. As for external factors, they include the level of economic development of the country and the level of competitiveness of the industry. Therefore, determining the level of enterprise competitiveness and choosing a winning competitive strategy is the main task of the company. However, when choosing the right strategy, it is very important to pay attention to the industry in which the company plans to carry out its foreign economic activity. There are many industries that have their own specifics, so the process of entering the market, and especially the ability to remain competitive, is a rather complicated process.

In conditions of globalization, the success of domestic enterprises in foreign markets is determined, first of all, by the competitiveness of their products. Competition is a rivalry between market economy participants for the best conditions for the production, purchase and sale of goods. This is the center of gravity of the whole system of market economy, the type of relationship between producers on the establishment of prices and volumes of supply of goods in the market [1, p. 42].

Competition means rivalry in any field between separate legal entities or individuals (competitors) who are interested in achieving the same goal – advantages over their rivals (competitors). From the point of view of the enterprise, such a goal is to maximize profits by taking advantage of consumers. And although this goal focuses on the development of the market since its inception, the first most integral theoretical positions about the driving forces of the competitive struggle appeared only in the middle of the eighteenth century. Classical political economy considered competition as a common phenomenon that penetrated all branches of the economy and is limited only by subjective reasons. A. Smith first proved that competition, equalizing the rate of profit, leads to an optimal division of labor and capital. It should balance private interests and economic efficiency. A. Smith considered competition to be an "invisible hand" of the market, which automatically balances the market, and thus regulates the correspondence of private and public interests [2, p. 9].

Each company that enters the market with its own products, trying to achieve an advantage over other companies. The possibilities of an enterprise in achieving such an advantage are defined by such a concept as competitiveness [2, p. 8].

Competitiveness is manifested only in conditions of competition. In countries with market economies, the competitiveness of the enterprise is the result of the interweaving of factors generated by the objective development of productive forces, which reflect the results of the policy of large monopolies in the struggle for quality, markets and profit. Competitiveness is one of the main concepts that is actively used in the theory and practice of economic analysis, stands for a multi-faceted concept, which in translation from Latin means rivalry, struggle for the best results [2, p. 58]. For its characteristics, the concept of comparative costs (D. Ricardo), comparative advantages (E. Heckscher, B. Olin), comparison of competitive advantages, factors of management and productivity of the use of resources (M. Porter), the competitive status of the firm (I. Ansoff).

In the economic literature, there are four basic levels of competitiveness of the enterprise [1, p. 68]:

– the first level – managers care only about the release of products, the consumer is not considered;

– the second level – managers want the products of the company to fully meet the standards set by competitors;

– the third level – managers no longer consider the standards of competitors, but themselves gradually become «fashion legislators» in the industry;

– the fourth level – when success in the competition ensures, first of all, management and the enterprise becomes completely «the fashion regulator» in a certain market.

Thus, competitiveness is the ability of an enterprise to compete in the industry, in the national and global markets. It should be noted that the change in competitiveness occurs under the influence not only of managerial actions on enterprises, but also is a consequence of the activities of competitors. Therefore, competitiveness is characterized by a high level of volatility, which requires maintaining stability and stability in unfavorable environments.

Here are some approaches to determining the competitiveness of an organization. The concept of competitiveness is directly related to the term «competitive organization», which can be interpreted as the superiority of the company's goods (services) over analogues in specific market segments over a certain period of time on the potential to develop, produce and market competitive products (services) in the future, achieved without compromising the financial position of the organization [3].

Most scholars on this subject offer to unite in one concept «competitiveness of the product» and «competitiveness of the organization». This statement is not entirely correct, because the buyer does not always know which manufacturer owns the product, and even if he knows the name of the firm, this name does not always say something. The competitiveness of products and the competitiveness of the producer of products relate to each other as part and whole. The ability of a company to compete in a particular commodity market directly depends on the competitiveness of the product and the totality of economic practices of the firm that influence the results of the competition.

Thus, one of the criteria that determines the company's success in the global market is its international competitiveness. International competitiveness should be understood as the achievement of an enterprise's competitive advantage in rivalry in the international market. It should be noted, that financial results of the enterprise activity play an important part in determining the ways of increasing the competitiveness of the company.

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