

ATTRACTIVENESS OF THE ENTERPRISE FOR THE MARKET

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Abstract. The essence of the concept of "enterprise attractiveness" is considered. The definition and significance of the attractiveness of the enterprise for the market by different authors is given. The significance of this phenomenon for the national economy is proved.

Competitive advantages are determined, which allow to form market attractiveness.

The list of techniques that allow to quantify the attractiveness of the enterprise for the market. The importance of matrix methods in determining the attractiveness of the enterprise is emphasized.

Keywords: enterprise attractiveness, competitive advantages, methods of assessing the level of attractiveness, matrix methods.

I. Introduction

The attractiveness of the enterprise is one of the most important issues facing the entire national economy. It manifests itself only in conditions of competition. The problem of attractiveness is not new for enterprises in Ukraine. Its evaluation is a complex multifactor analysis, which leads to the calculation of various indicators that shape the attractiveness of the company.

Determining the level of attractiveness of the firm helps to form approaches to the manufacture of goods, to properly adjust the marketing system (reduce costs, focus on a specific target audience), to consider ways to improve the competitive position in the market.

There is no single method that can assess the level of attractiveness of the enterprise. Therefore, companies evaluate their competitive position according to the method that is more convenient, simpler and clearer.

II. The statement of the problem

In order to achieve effective results, firms need to adapt to ever-changing conditions. This can be achieved by creating an innovative concept of company development, which also takes into account the issues of market attractiveness of the enterprise.

In an unstable economy, there is an excessive increase in prices for certain products. Therefore, every manufacturer, seller and the product itself is forced to fight for the consumer. In this situation, a product that will have a lower retail price may win. It will determine the attractiveness for the consumer and the market. If there is no necessary theoretical and practical knowledge of complex mechanisms for making goods and services attractive, then as a result it will all lead to incorrect calculations during the pricing period. This in the future can bring significant losses to the company, in the worst case – lead to bankruptcy [2, p. 118].

Defining the concept of market attractiveness of the enterprise, start with the content and essence of competition. The attractiveness of the enterprise should be formulated depending on the achievement of goals defined by the concept of competition. The attractiveness of the enterprise is formulated as a struggle among companies that have an interest in achieving the same goal, provided that resources are limited. In that case, if this goal is marked by market relations, then attractiveness is a competition between enterprises in order to make a profit.

Many scientific works of both foreign and domestic scientists are devoted to the study of market attractiveness. Among them are such as M. Porter, F. Kotler, R. Fatkhudinova, V.D. Базилевич, A.B. Shegda and many others.

III. The result

The attractiveness of the company is a complex characteristic that contains group, integrated and generalized indicators. The purpose of determining the attractiveness of the firm is to determine its status in the industrial, regional or international markets. The attractiveness of the company is an opportunity to confidently and successfully compete with competitors in the market and further receive financial benefits [1, p. 314].

There is a large number of views of the authors on the concept of market attractiveness of the enterprise in the market. Analyzing the considered points of view, it is possible to come to a conclusion that attractiveness of the enterprise is a complex set of various characteristics which are capable to possess competitive opportunities at comparison among themselves. Also, the attractiveness of the company is characterized by the products that it is able to own, and the attractiveness of the product is determined by the buyer. But it should be noted that the concept of attractiveness varies depending on the level of competition.

It takes a lot of work to make a business attractive. It is necessary to search for competitive advantages: economic, investment, image and financial. There are three levels at which competitive advantage can be considered. These are operational, tactical and strategic levels. The operational level ensures the attractiveness of goods. The tactical level is the attractiveness on which the general position of the firm is based. The strategic level is characterized by the creation of investment attractiveness of the company. We can talk about strategic attractiveness if the organization has a competitive advantage.

There are various factors that have a significant impact on the level of attractiveness of the enterprise. The source can be both external and internal environment. Those factors that can affect the attractiveness of the firm are divided into the following groups: technical and economic, regulatory and commercial [2, p.186].

Technical and economic factors include product quality, selling price and cost of use. Regulatory factors show whether environmental, technical or other safety is required for the use of goods in a particular market [2, p.188]. Commercial factors include market conditions; proper service; advertising campaign; appropriate company style.

It is important to assess the level of attractiveness of the enterprise. Many approaches have been developed for this purpose. The application of one or another method is based on the tasks that the company sets for itself.

The method of assessing the attractiveness of the enterprise is to compare opportunities. Its essence is that the cost of sales was lower than competitors. This method has certain disadvantages: it is very difficult to obtain information about the costs incurred by competitors to sell products.

Another method is to assess the quality of goods. Its essence is that the quality of products is the main factor that determines the attractiveness. Therefore, assessing the level of quality of goods, we can draw conclusions about what will be the level of attractiveness of products.

The method of polarity profile is often used, which involves comparing the parameters of the products of the studied enterprise with competitors.

Matrix methods play an important role. They consist in the analysis of competition and a way of life of the goods. To determine the attractiveness of the enterprise can be used such matrix methods as BCG matrix, M. Porter matrix, McKinsey matrix, Shell / DPM model, ADL / LC model and so on.

The BCG matrix is based on two indicators: the growth rate of the industry and the firm's market share. Used in the process of strategic analysis and product range design. Helps to properly allocate resources between available products.

The Porter matrix is a model of market analysis of a company's strategic capabilities. It includes an analysis of five factors of the marketing environment: the threat of new competitors in the market; market power of buyers; market power of suppliers; availability of substitute goods; rivalry of existing competitors.

Matrix "market attractiveness / business competitiveness" (McKinsey). It shows how profits will be affected by additional investment. To build the model, an expert survey is conducted, which first evaluates the degree of attractiveness of a particular market, and then the stability of product positions in the market.

The matrix "industry attractiveness / industry competitiveness" (Shell / DPM model) makes it possible to assess the attractiveness of the enterprise through the attractiveness of the industry and business.

The matrix "Product life cycle / competitive position" (model ADL / LC) makes

it possible to find a relationship between the life cycle of the product and the competitive position it occupies in the market.

Most often, an expert method is used to assess the attractiveness of the enterprise. It is based on an organized collection of judgments and assumptions of experts with further processing of the answers and the formation of results. This is not a complete list of all the methods used to assess the attractiveness of the enterprise, but described the main ones.

IV. Summary

The proposed methods and indicators allow companies to get quick information about the competitive situation in the market, as well as the ability to immediately respond to a negative result if it occurs.

References

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