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## THE FORMATION OF COMPETITIVE ADVANTAGES OF DOMESTIC ENTERPRISES

*Annotation. The paper discusses the system of factors of competitive advantages formation and competitiveness of the domestic enterprises under the conditions of globalization, the process of competitive advantages formation taking as an example the experience of successful foreign companies. And also recommendations for Ukrainian companies on improving the marketing strategy are formulated.*

*Анотація. Розглянуто систему чинників формування конкурентних переваг і конкурентоспроможності вітчизняних підприємств в умовах глобалізації, проаналізовано процес формування конкурентних переваг на прикладі успішних зарубіжних компаній, а також сформульовано рекомендації українським компаніям щодо поліпшення своєї маркетингової стратегії.*

*Аннотация. Рассмотрена система факторов формирования конкурентных преимуществ и конкурентоспособности отечественных предприятий в условиях глобализации, проанализирован процесс формирования конкурентных преимуществ на примере успешных зарубежных компаний, а также сформулированы рекомендации украинским компаниям по улучшению своей маркетинговой стратегии.*

*Keywords: competitive advantages, market, competitiveness, marketing strategy.*

Competitive power plays the crucial role for enterprise successful activity in market economy; and nowadays the solution of the problem of increasing domestic industry competitiveness is the most important among the main directions of domestic economy development. The problem of competitive advantage is the core to the theory and practice of competitiveness, as well as every company should have a definite advantage for survival and achievement of their goals in a fierce competition.

Considerable attention to this issue is paid in the works of F. Kotler [1] M. Porter [2], A. Lukashenko, G. Azoiev [3], P. Zavyalov [4], M. Malik, P. Sabluk, M. Soloviev, V. Shiyan and many others. These scientific studies revealed different approaches to the definition of competitive advantage, but in the modern economic literature there are only common and well-formed concept of competitive advantage formation.

The main point of the research is identification of formative factors of competitive advantage and competitiveness of domestic enterprises in the context of globalization. A clear definition of the system is necessary for the development of special measures to enhance the competitiveness of the enterprises.

Annually in the world there are hundreds of thousands of new products. Up to about 1 % of new products achieve short-term success, and only minority manages to hold the leading position over decades [5].

The formation of competitive advantage is an important strategic goal of enterprises that operate in terms of globalization and need systematic management in order to achieve their resistance.

It seems that today, the Ukrainian companies have to combine incompatible characteristics in the development of a marketing strategy. The necessity of this approach demonstrates the successful experience of foreign countries. Let's consider this postulate as a confirmation argument taking as the examples of the implementation of the campaign such "business sharks" as BMW, McDonald's, Apple.

Car market is one of the most competitive markets in the world. The survival requires permanent investments. But some companies consistently increase sales and remain profitable. One of them is BMW. What is the secret of their success? In fact the main competitive advantage of the company was the successful combination of seemingly incompatible characteristics: manageability and comfort [6].

A dozen of competitors have tried to copy the concept of the corporation after the appearance of McDonald's in Ukraine. But no one could reach them. McDonald's is considered to be the restaurant for children, it means the combination of incompatible concepts: "children" and "restaurant". All brand-leaders are secretly or clearly combine the marketing concept of their products with barely compatible characteristics. Another example of this is the Apple corporation, which produces advanced, highly sophisticated technology, realised in the aesthetic and intuitive clear properties of the device [7].

Today, the situation with the image of Ukrainian companies in the global market is bad; most of the Ukrainian companies are not competitive in foreign markets. To understand this problem, you need to have a look at its root in order to consider the competitive ability of Ukrainian products.

Nowadays, steel industry is the most profitable sector of the Ukrainian economy, based on the ratings, published by Forbes. Ukrainian metallurgy is a key branch of Ukrainian national economy, providing more than 18 % of an internal gross product of the state and giving about 40 % of currency receipts for Ukraine and more than 10 % of receipts in the state budget of Ukraine [8]. An industrial holding "Metinvest" occupies the biggest share in this market of Ukraine with the net

income equal to 14.8131 billion USD in 2011 [9]. Enterprises of industrial holding "Metinvest" have a favourable geographical position: the competitive advantages are provided by the closeness of raw materials, low cost, resources, and convenient location to the target markets [10]. Thus, the enterprises of branch holding "Metinvest", possessing the unique competitive advantages, form the competitive position and reach leadership in the market.

The construction industry is an important component of Ukrainian economy. Though construction provides only 3 % of gross domestic product, it is most dynamically developing branch of the Ukrainian economy [8].

Nowadays, the construction is a branch of the national economy, which grows rapidly and requires considerable attention because of its significant potential. This fact is confirmed by the data presented in Table.

According to the data of large, medium and influential amounts of small enterprises [8], in 2011, the enterprises of the country fulfilled the construction works in the amount of 60,454.3 m, that is increased by 11.1 % compared to the corresponding period of 2010 [8].

Table

**The volume of construction works over the periods 2011**

Time period	In actual price, m hryvnias	In % to a certain period of the last year
January	1,993.9	106.1
January – February	4,430.1	106.1
January – March	7,792.7	106.8
January – April	11,739.5	111.6
January – May	15,888.4	113.2
January – June	20,889.8	114.5
January – July	26,492.7	113.6
January – August	32,237.5	113.0
January – September	38,372.5	111.4
January – October	45,122.8	111.7
January – November	52,013.8	112.5
January – December	60,454.3	111.1

Marketing strategy of building companies is summarized in one principle which will be considered in the example of TM "STOUNLAYT." TM "STOUNLAYT" (Brovary) is a unique production of modern concrete blocks in Brovary, used for the construction of buildings for any purpose.

"By purchasing a wide range of gas-block TM "STOUNLAYT" in "ORTEK" we guarantee you highly qualified products, a worthy quality service and the lowest price" is the only way of positioning products to the construction market [11].

Thus, the model that is used in most cases by Ukrainian enterprises is the combination of low price and just imitate famous brand.

One-sided model, when the focus is on an affordable price, is not very successful long-term strategy. Sooner or later, a brand will appear in the price list with a lower number.

For gaining leadership domestic enterprises should be competitive in the world market, and it is necessary for them not only to revise the concept of their own products, but also to pay attention to the experience of successful companies in the field of marketing communications.

Thus, to be competitive Ukrainian companies should build a competitive advantage in this way.

Thus, Ukrainian car "Tavria" using professional marketing approach could be a unique "car for the costs of motorcycles". Unfortunately, it was successfully implemented not in Ukraine, but in India, by releasing the car Tata Nano at a price of \$2,500 [12].

From the Ukrainian practice it is possible to consider Studio "Quarter 95" as an example of combination of incompatible characteristics and the improvisation theatre "Black Square" which successfully combine classical theatre and modern show with a big share of humour [7].

Thus, the Ukrainian companies that want to be competitive and profitable in foreign markets have to revise their marketing strategies, innovate them applying on a national basis the successful experience of foreign companies.

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