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COMPETITIVENESS OF SERVICE ENTERPRISES: METHODOLOGICAL EVALUATION INSTRUMENT

The article summarizes the conceptual apparatus of the competitiveness of services companies; the classification of methods for assessing the competitiveness of enterprises is considered; examples of classifications developed by domestic scientists are studied; the complex approaches to the estimation of competitiveness of the enterprise are presented; such an approach is proposed to evaluate the competitiveness of enterprises, which allows to assess the real state of the enterprise in a competitive environment and to rank it relative to competitors; the structural-logical scheme of development of the competitiveness index of the service industry enterprise is offered.

Different approaches to the classifications of competitiveness assessment methods are considered, and we offer a classification that will allow a comprehensive evaluation of the object of evaluation at each stage of the study. Assessment of the competitiveness of the enterprise is considered as a sequential process that begins with the assessment of the market and the competitive environment, already gradually moving to the analysis of the position of the company among competitors, ending with the evaluation of the product itself.

Keywords: competitiveness, sphere of services, methods of evaluation, competitiveness of service, service, methodical tool, innovative development, evaluation.

Formulation of the problem. The development of services in the modern economy is conditioned by the impact of innovative development and the emergence of new types of goods that require an additional range of services for their implementation, after-sales services, etc. Currently, a country cannot be considered as a developed country if less than 60% of GDP is generated in its services sector. It should be noted that in the US, services account for about 80% of jobs and 74% of GDP. A similar trend is observed in Western Europe, where more than 66% of the total employment is in the services sector. In EU countries, services account for about 63% of GDP and 62% of employed; in Japan – 59% and 56% respectively. Statistics confirm that the service sector is one of the most promising sectors of the economy today, which, moreover, is rapidly developing at the expense of a smaller initial investment and a shorter life cycle of its products.

The purpose of the article. The purpose of the article is to adapt the methodological toolkit for assessing the competitiveness of service companies

Analysis of recent research and publications. Significant contribution to the development of the problem of definition, evaluation and management of competitiveness made by domestic and foreign scientists: S.P. Gavriluk, O.O. Gradinarova, G.G. Savina, O.P. Savetska, I.Y. Sivachenko, Y.M. Stolarchuk, V.M. Kuzymko, S.M. Klimenko, V.S. Mazur, T.V. Omelyanenko, A.M. Lieutenant, I.M. Repin, R.A. Fathutdinov, A. Smith, D. Ricardo, J. Mill, A. Marshall, M. Porter, A. Chandler, J. Schumpeter, A. Thompson, F. Kotler and others.

Presenting main material. The competitiveness of an enterprise is a complex integral characteristic of an enterprise's activity, which fully reflects the efficiency of its activity. Therefore, it is obvious that when assessing the effectiveness of the enterprise, we are faced with the question of assessing the competitiveness of the enterprise. The methodological and applied complexity of competitiveness assessment is related to:

- first, the difficulty of selecting a base object to compare (finding information to identify a product or business leader in a particular market segment);
- second, justification for the choice of a system of indicators, criteria and methods for assessing competitiveness (the development of cumbersome and difficult to interpret methods of calculating competitiveness limits the real possibilities of the evaluation procedure);
- third, the problematic use of complete and reliable information to assess competitiveness (lack of experience in marketing research in the domestic and foreign markets, the inaccessibility of information about competitors' activities can lead to incorrect conclusions and making unreasonable management decisions).

The assessment of the competitiveness of the enterprise is carried out using certain tools, which includes a set of approaches and methods of assessment. Scientists offer many methods of assessing

competitiveness at the enterprise level: bases of comparative advantages, equilibrium of firms and industry; structural and functional; "Profiles" and quality; matrix; the theory of effective competition; semantic positioning and others. V. Goncharov and O. Larin systematized the existing assessment methods into the following groups: matrix; by market share; based on firm and industry theory; based on the theory of product quality, in particular marketing theory; based on the analysis of comparative advantages¹.

Modern scientific literature presents a large number of assessment methods using diverse indicators, criteria and mechanisms for implementing evaluation results. However, it is not possible to determine a single, universal method, since their use is conditioned by the specific nature of the business entity's activity, industry characteristics and the immediate purpose of the assessment

According to the classical approach, the whole set of methods is divided according to the following classification features²:

1) by the method of displaying the final results: graphical methods, mathematical methods, logistic methods.

2) possible management decisions: one-time, strategic.

3) by way of evaluation: indicator, matrix.

The following are examples of classifications developed by domestic scientists. In essence, the methods are the same, but the classification features are different.

Milevsky S.V. proposes to systematize existing methods of assessing the competitiveness of an enterprise in such groups³:

– methods of determining the integral indicator of the enterprise's competitiveness using exclusively expert assessments;

– methods that determine the competitive status of the enterprise; graphic (matrix) methods;

– methods based on the synthesis of an integral indicator from a set of economic indicators;

– methods of assessing the competitiveness of an enterprise by one resultant indicator of production and economic activity;

– methods based on determining the value of the business.

Shinkarenko V.G. and A.S. Bondarenko⁴ provide a more comprehensive list of methods for assessing competitiveness: methods based on the analysis of comparative advantages; methods based on the theory of equilibrium of firms and industry; methods based on effective competition theory; methods based on product quality theory; matrix evaluation methods; integrated (integral) methods.

Other methods of assessing competitiveness at the enterprise level are also found in scientific practice: bases of comparative advantages; equilibrium of firms and industry; structural and functional; "Profiles" and quality; matrix; the theory of effective competition; semantic positioning and others. Goncharov V. and Larin O.⁵ systematized existing assessment methods into the following groups: matrix; by market share; based on firm and industry theory; based on the theory of product quality, in particular marketing theory; based on comparative advantage analysis.

The classification of the scientist Gorodnya T.A. is fundamentally different⁶. The author identifies four main groups of methods:

– the traditional approach: the methods of this group involve the calculation of single group metrics.

In the first stage of evaluation, the most important for the consumer are the characteristics of the product: consumer and economic. On the basis of the comparison of the characteristics of the basic model and the sample, determine the individual competitiveness indicators. Then, within each group of criteria, they rank the indicators according to their importance to the consumer. Then group indexes of the Consolidated

¹ Гаврилук, С. П. (2006). Конкурентоспроможність підприємств у сфері туристичного бізнесу. Київ: Національний торговий економічний університет.

² Городня, Т. А., Рибницький, Д. О. (2010). Сучасні підходи до оцінювання конкурентоспроможності підприємства. *Науковий вісник НЛТУ України*, 20.9, 26.

³ Мілевський, С. В., Мілов, О. В. (2007). *Моделі аналізу та управління конкурентоспроможністю промислових підприємств*. Наукове видання. Харків: ХНЕУ.

⁴ Шинкаренко, В. Г., Бондаренко, А. С. (2003). *Управління конкурентоспроможністю підприємства*. Харків: ХНАДУ, 147.

⁵ Гончаров, В., Ларін, О. (2006). Аналіз існуючих підходів і методів оцінки конкурентоспроможності промислового підприємства. *Журнал Схід*, 5 (77) <http://www.experts.in.ua/baza/analitic/index.php?ELEMENT_ID=11254> (2019, June, 10).

⁶ Городня, Т. А., Рибницький, Д. О. (2010) Сучасні підходи до оцінювання конкурентоспроможності підприємства. *Науковий вісник НЛТУ України*, 20.9, 26.

Competitiveness Index on Consumer and Economic Properties and the Integral Index of Product Competitiveness are calculated

- matrix methods, which are based on the construction and analysis of two-dimensional matrices. These matrices are constructed on the basis of a coordinate system, on one of the axes of which indicate the indicators of assessing the state or prospects of development of the market, industry, strategic zone of management, and on the other – indicators of the competitiveness of their respective business areas.

- marketing approach, which involves not only taking into account consumer requirements for product characteristics, but also assessing a set of factors that determine the effectiveness of all marketing activities of the enterprise as a whole. These factors include the efficiency of the supply system, the organization of service and warranty service, the reputation of the company and others

- a production approach based on the estimation of the profitability of sales of a specific product and its market share. According to this method, the more competitive product is the one whose sales profitability and market share of the manufacturer is higher. The integral indicator of competitiveness is calculated for a set of goods and each of them is assigned a specific rank.

In today's market conditions, complex approaches to assessing the competitiveness of an enterprise are gaining popularity¹:

- a method based on effective competition theory;
- approaches to assessing the competitiveness of an enterprise, which correlate its level with the quality (competitiveness) of the output;
- methods based on competitive advantage theory;
- benchmarking method;
- methods based on the methods of complex assessment of financial and economic activity of the enterprise and others.

These methods are fundamentally different in nature and basis for the formation of competitiveness indicators. Their use can be convenient in different situations depending on the specifics of the industry to which the object under study belongs.

Considering different approaches to the classifications of competitiveness assessment methods, we propose a classification that will allow a comprehensive assessment of the object of evaluation at each stage of the study. Assessing an enterprise's competitiveness is a sequential process that begins with evaluating the market and the competitive environment, gradually moving to an analysis of the company's position among competitors, ending with the evaluation of the product itself. Table 1 lists the methods for assessing the competitiveness of an enterprise.

Table 1

**Classification of methods for assessing the competitiveness
of the enterprise**

Classification feature: stage of research	Methods
Assessing the competitive environment	PEST analysis, SWOT analysis, M. Porter's competitive advantage theory, 5 Porter competitive forces, building a competitive market map
Evaluation of the position of the company in relation to competitors	competitive element set method, index method, rank method, benchmarking, point method
Evaluating the product's competitiveness	Integrated product competitiveness index, building an entity profile
Develop a competitive strategy	McKinsey matrix, BCG matrix, competitiveness analysis of firms J.-J. Lamben, Shell matrix, Arthur D. Little model (ADL), I. Ansoff matrix, SPACE analysis, A. Thompson matrix and A. J. Strickland matrix

Source: Generalized by the author

¹ Драган, О. І. (2006). *Управління конкурентоспроможністю підприємств: теоретичні аспекти*. Київ: ДАКККІМ, 160.

Therefore, the methods of assessing the competitiveness of an enterprise differ in both the method of assessment and the way the results are interpreted. Such a variety of methods for assessing the competitiveness of enterprises is determined, first of all, by the objectives to be appraised, as well as by the number of competing enterprises, the method of obtaining information and its accessibility. Therefore, for each individual company, you should choose the method that is best suited in this case.

It is important to note that the use of only one valuation method cannot adequately show the state of the enterprise and its potential. For more accurate and objective assessment, you should combine existing methods or use complex techniques. This approach allows you to evaluate the real state of the enterprise in a competitive environment and rank it relative to competitors. The overall methodology for assessing competitiveness is to determine the competitive advantages of a particular enterprise and compare them with competitors, so to determine the features of evaluation of enterprises in the service sector, it is necessary to identify the factors that shape the competitive advantage.

The competitiveness of the service is manifested by the values that the service brings to the particular consumer. In turn, service value can be defined as a set of characteristics that shape the quality of service. Unlike product quality, service quality is a much broader concept

The quality of the service depends on the expectations of the consumer, which are shaped by the recommendations of acquaintances, feedback from other consumers and advertising, as well as on the real perception, that is, the real benefits that the consumer receives by using the service.

Attracting quality resources allows you to improve the results of the service, and the use of the latest technologies, on the one hand, optimizes the whole process of service provision, on the other – allows you to provide services with additional properties that were not there before. Depending on the pricing policy, the price of the service is formed. But it is important to remember that the price is important not only to the consumer, but also to the additional benefits that affect the value and overall quality of the service.

These components of the quality of services can become key characteristics of assessing the competitiveness of the service industry (Fig. 1).

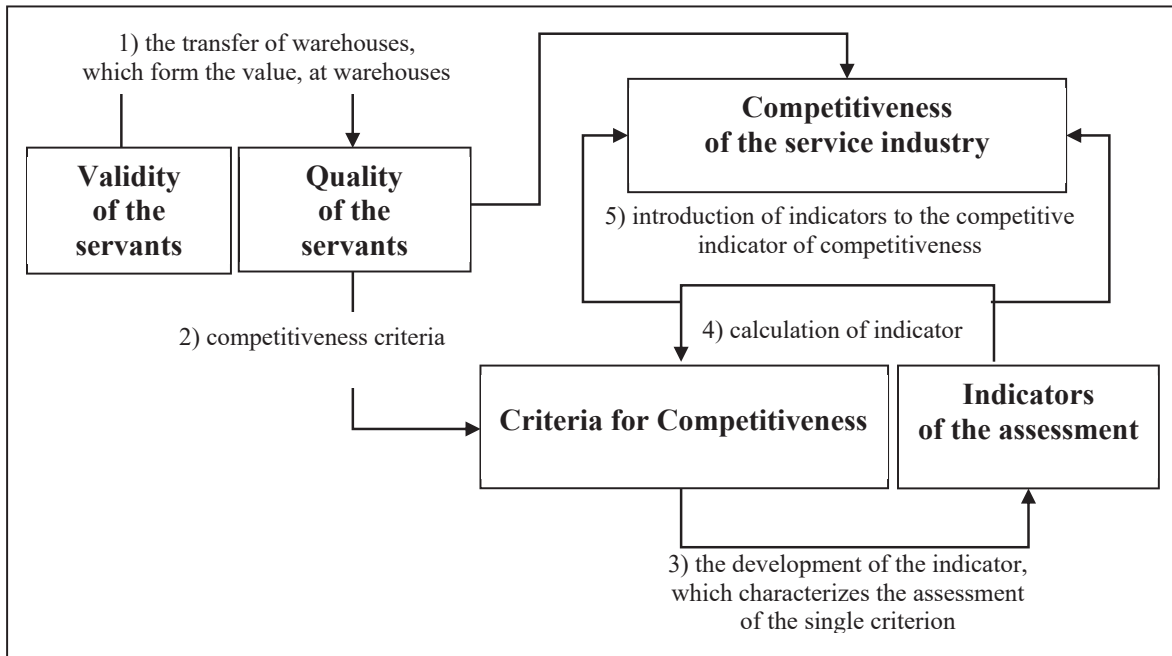


Fig. 1. Structural and logical scheme of development of the indicator of competitiveness of the enterprise services

Source: Created by the author

In order to determine the competitiveness criteria of a particular service enterprise, it is first of all necessary to determine the constituent values of the service for the consumer, then each component is transformed into the criterion of quality of service. Having a set of criteria that make up the quality of service,

we determine the competitiveness criteria, which are evaluated using the developed indicators. By combining all the metrics obtained into a single consolidated metric, we determine the overall competitiveness of the enterprise.

One of the features of the service industry is a clear specialization and orientation of the market, so when assessing competitiveness, it is imperative to identify competitors that are part of a particular competitive group, this is done by market segmentation. In the second step, we define competitiveness criteria that are relevant to the quality of service components. Previously, service quality components and criteria have been identified to achieve the required value characteristics.

A very important role is played by service, so product evaluation is characterized by the number of satisfied customers who reuse the services of an enterprise. Price plays a very important role for the customer when choosing, but the value for money offered by the company needs to be evaluated

The main idea of valuation is to integrate all single indicators into a single value that will characterize the competitiveness of the enterprise.

Further research is aimed at refining the scorecard and presenting a general model for assessing the competitiveness of a car service company.

Conclusions. Assessment of competitiveness is possible using a variety of quantitative and qualitative methods, which are quite widely represented in the scientific literature in different classifications. We consider assessing the competitiveness of an enterprise as a consistent process that begins with the assessment of the market and the competitive environment, already gradually moving to the analysis of the position of the enterprise among competitors, and ending with the evaluation of the product itself. Based on this hypothesis, it is advisable to classify methods of assessing competitiveness on such a classification basis, as the stage of research. We identify a group of methods for assessing the competitive environment, assessing the position of the company relative to competitors, assessing the competitiveness of the product directly and the final stage – developing a competitive strategy depending on the competitive position of the company. This approach makes it possible to comprehensively assess the competitiveness of the enterprise.

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