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METHODOLOGICAL APPROACHES TO SUBSTANTIATING THE CHOICE OF A COMPANY'S COMPETITIVE STRATEGY IN THE FOREIGN MARKET

Abstract. The international competitive environment requires modern corporations to develop and implement the most effective competitive strategies. Aiming for market leadership requires companies to develop proactive innovation policies, increase spending on research and development, and enhance the technical and technological foundations of their operations. The lack of a unified approach to analyzing a corporation's competitive strategy makes this research topic relevant. This article has important theoretical and methodological implications for the development of corporate competitive strategy analysis.

Keywords: competitiveness, corporation, competitive strategy, methodology, analysis, transnationalization.

Choosing a competitive PR strategy and entering the foreign market is one of the most important strategic decisions of an international company. A wrong choice can lead to loss of investment, reputational costs, and loss of market position. The methodological basis for justifying this choice has evolved from simple classical models to complex multi-factor systems that take into account the specifics of international activities. In modern practice, a set of methodological approaches is used, which can be classified into four main groups: classical, global, matrix and modern.[1]

Michael Porter's approach, according to which a company can achieve an advantage only through the implementation of one of the three basic strategies, remains the foundation for justifying the choice of a competitive strategy. Cost leadership involves achieving the lowest costs in the industry through economies of scale, tight cost control, and process optimization. In the foreign market, this strategy requires placing production in countries with cheap resources and maximizing product standardization. Differentiation, on the contrary, is based on creating unique product properties for which the consumer is willing to pay a premium price, which in the international arena often requires deep adaptation to local tastes. The focus strategy involves focusing on a narrow segment and can be implemented both on the basis of costs and on the basis of differentiation, but within the chosen market niche, for example, serving high-net-worth clients in the Middle East."

The approach of Jack Trout and Al Rice shifts the focus from production and product characteristics to the perception of the company in the consumer's mind. According to this school, a competitive strategy in the foreign market should begin with the answer to the question: "What position do we want to take in the minds of consumers in each particular country?". Since the company often lacks a well-formed image in new markets, positioning requires significant investment in communication. It is critically important to consider cultural codes: what is perceived as a sign of prestige in one culture can cause rejection in another. Successful positioning in the foreign market allows the company to create an

[1] Guskov Anatoly Aleksandrovich, Skrypnik Danila Vitalievich INVESTMENT STRATEGIES AND THEIR IMPACT ON THE VALUE OF A COMPANY // EFO. 2024. No. 2 (10). URL: https://cyberleninka.ru/article/n/investitsionnye-strategii-i-ih-vliyanie-na-stoimost-kompanii (date of access: 06.03.2026).

emotional connection with the consumer, which is difficult for competitors to copy.

The Ansoff matrix offers a methodical approach to strategy selection through a combination of two dimensions: existing / new product and existing / new market. For a company entering a foreign market, the strategies of market development (an existing product to a new geographical market) and diversification (a new product to a new market) are of particular interest. The market development strategy is considered less risky and involves adapting marketing approaches to the conditions of a new country while maintaining the product. A diversification strategy, for example, when a company not only enters a new country but also offers a new product range there, involves maximum risks and requires careful justification through an analysis of synergies and competitive advantages.

Integration-response model. This model, developed by Christopher Bartlett and Sumantra Ghoshal, is a specialized strategy justification tool specifically for international companies. It suggests choosing a strategy based on a balance of two forces: the pressure of global integration (the need for standardization to save on scale) and the pressure of local adaptation (the need to take into account local characteristics). Based on this balance, four types of strategies are distinguished. A global strategy (high integration, low adaptation) is chosen for markets with similar needs, such as the semiconductor market. A multi-local strategy (low integration, high adaptation) is justified in markets with strong cultural differences, such as the food market. An international strategy is typical for moving a successful home model abroad, while a multinational one is the most complex hybrid approach that combines the advantages of both types.[2]

John Dunning's approach suggests justifying the choice of strategy through the analysis of three groups of advantages necessary for successful international

[2] Eremina V. S., Zhikina O. V. METHODS OF ENSURING THE COMPETITIVENESS OF AN INTERNATIONAL ORGANIZATION // Science Bulletin. 2024. No. 11 (80). URL: https://cyberleninka.ru/article/n/metody-obespecheniya-konkurentosposobnosti-mezhdunarodnoy-organizatsii (accessed: 06.03.2026).

expansion. The advantages of Ownership reflect the company's unique assets: technology, brand, and management competencies. The advantages of localization are related to the attractiveness of a particular country: cheap labor, a large market, and preferential tax treatment. The benefits of Internalization show whether it is more profitable for a company to implement the benefits independently or through partners. Depending on the combination of these factors, the company justifies the choice of a specific entry form and competition strategy: licensing, export, joint venture or direct investment.

Michael Porter suggested looking at international strategy through the configuration and coordination of the value chain. The configuration answers the question of where in the world to place various types of activities (research, production, marketing). Coordination determines how closely these country-specific activities interact with each other. Justification of the strategy through this approach requires an analysis of transaction costs, logistics optimization, and access to key resources in different countries. A company can choose a concentrated chain strategy (all types of activities in one country) or a dispersed chain strategy (different stages in different countries), based on the comparative advantages of locations.

The BCG matrix suggests justifying the choice of strategy in the foreign market through two parameters: the growth rate of the market and the relative share of the company in this market. For an international company with a presence in several countries, the matrix allows you to create a balanced country portfolio. "Stars "(fast-growing markets with a high share of the company) require investment to maintain leadership. Cash cows (slow-growing markets with high shares) generate cash flow to finance expansion. "Difficult children "(fast-growing markets with low shares) require a strategic decision: invest to become a "star" or leave. "Dogs "(slow-growing markets with a low share) usually recommend leaving or making a residual profit.

This matrix is a more complex multi-factorial strategy justification tool. The X-axis measures business strength (the company's competitive position in the country), including market share, brand strength, technological superiority, and distribution quality. The Y-axis measures the attractiveness of a country's market, including market capacity, growth rates, competitive intensity, and political and economic risks. Based on falling into one of the nine quadrants of the matrix, the company justifies its strategy: invest and grow (green zone), earn selectively (yellow zone), or withdraw/consolidate assets (red zone). For an international company, this approach allows you to compare different countries and allocate resources between them.

The ADL approach suggests justifying the strategy based on two parameters: the stage of the market life cycle (origin, growth, maturity, aging) and the company's competitive position (dominant, strong, favorable, strong, weak). Typical strategic recommendations are offered for each combination. In the foreign market, this approach is particularly valuable because different countries may be at different stages of the life cycle for the same product. For example, the smartphone market in developed countries may be mature, while in developing countries it may be growing, which requires fundamentally different competitive strategies in these countries.

Jang Kim and Renee Mauborne's approach offers an alternative to traditional competition in "scarlet oceans" (crowded markets). Instead of competing for a share of the existing market, the company creates a new market space ("blue ocean"), where there is no competition. In the foreign market, this may mean not adapting an existing product to local conditions, but creating a fundamentally new category that unites consumers from different countries with previously unmet needs. The rationale for this strategy is based on the "value innovation" methodology: the company simultaneously reduces costs and increases value for the consumer, creating new demand. An example is Airbnb, which created a global blue ocean at the intersection of technology and hospitality.

The concept of dynamic abilities developed by David Thies justifies the choice of a competitive strategy through the ability of a company to integrate, create and reconfigure internal and external competencies to meet a rapidly changing external environment. In the international context, this means that the strategy cannot be fixed once and for all, but must evolve as new countries gain experience. The company must have the ability to quickly learn from local markets, transfer best practices between countries, and eliminate inefficient approaches in a timely manner.

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