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THE CONCEPT AND STRUCTURE OF THE COMPETITIVE ENVIRONMENT AND COMPETITIVE STRATEGY OF INTERNATIONAL COMPANIES

Abstract. This article examines the development of a competitive strategy for an international company and defines a framework for the strategy implementation process. The authors identify competitiveness factors based on the methodology of the International Institute for Management Development.

Keywords: competitive strategy; competitiveness factors; competitive advantages; strategic competitiveness assessments

Competitiveness is one of the most important aspects of successful operation of an international company. The concept of competitiveness tends to consist of many factors, such as the quality of goods or services, the price level, innovations in production and marketing, personnel qualifications, management efficiency, and much more. Therefore, conducting a competitive analysis allows you to identify the most powerful and weak points of an international organization and determine its position in the market.

The competitive environment is a combination of external and internal factors and market forces that affect the company's ability to compete, gain and maintain competitive advantages in target markets.

For international companies, this environment is hypertrophied, as they have to operate not in one national market, but simultaneously in different countries with different economic, political, legal and cultural conditions.[1]

When assessing the possibility of forming a competitive strategy of an international company in the state of its entry into international markets, it is necessary to assess the existence of conditions for the development of the industry and/or sphere of the national economy in which this company plans to do business, as well as the competitive advantages of the region in which it is supposed to do business. In each case, quantitative and qualitative characteristics are used based on available statistical data, reporting by industry and individual organizations, and expert assessments. Managers of the analyzed organizations, leading industry specialists-scientists and practitioners-can act as experts.[2]

All of these indicators are used in existing models of multi-factor analysis. In general, the set of indicators is aimed at identifying potential growth points of a region, industry or sphere of the national economy and is a component in the system for assessing the competitiveness of regions, industries and spheres of the national economy, which allows you to identify the main growth points around which a certain structure is formed, consisting of firms and organizations that are elements of production, life, and management cycles. In addition, we are also talking about the sphere that provides services directly to the infrastructure, as well as the sphere of providing services. Thus, the use of this approach, unlike others, is

[1] A. B. Melnikov, E. A. Lashchenko, A. V. Vosmerik INTERNATIONAL COMPETITIVENESS OF RUSSIAN NATIONAL COMPANIES IN AGRO-FOOD MARKETS IN MODERN GEOECONOMIC CONDITIONS // EGI. 2025. No. 2 (58). URL: https://cyberleninka.ru/article/n/mezhdunarodnaya-konkurentosposobnost-rossiyskih-natsionalnyh-kompaniy-na-agroprodovolstvennyh-rynkah-v-sovremennyh (date of access: 06.03.2026).

[2] Mezinova Inga Aleksandrovna, Umanets Vladislav Anatolyevich COMPETITIVE STRATEGIES OF DOING BUSINESS BY LEADING RUSSIAN TNCS // Bulletin of the Russian State University of Economics and National Economy. 2025. No. 1. URL: https://cyberleninka.ru/article/n/konkurentnye-strategii-vedeniya-biznesa-veduschimi-rossiyskimi-tnk (date of access: 06.03.2026).

more consistent with the development of a competitive strategy for the development of the region and doing business in it.

Michael Porter, a well-known American economist, said: "Competitiveness is not a random phenomenon. It comes from a conscious desire for an outstanding outcome.".

Porter developed the concept of "Porter's five forces", which explains that a company's competitiveness depends on the impact of five main forces: threats from new competitors, threats to replace products or services, the strength of buyers, the strength of suppliers, and the degree of competition in the industry.

The simultaneous use of tools for assessing competitive advantages and methods for forming relationships in a certain market structure makes it possible to develop basic strategic directions for the development of regions, industries, and a strategy for managing influence to determine the company's competitive strategy for entering the international market. At the same time, there is a need to identify ways for companies to enter international markets.

The presented diagram illustrates the adaptation of the classical five forces model by Michael Porter to the conditions of international companies and multinational corporations (TNCs). At the center of the scheme is the subject of management - an international company that experiences the combined pressure of five competitive forces, each of which takes on specific features in a global context.2 This visualization allows you to systematically present not only the structure of interactions, but also the qualitative complexity of the competitive environment as the organization enters foreign markets.

The analysis of external forces, traditionally located vertically, shows an increase in uncertainty in international business. The market power of suppliers increases due to the formation of global value chains, where the company becomes dependent not only on prices, but also on currency fluctuations, logistics risks and political stability in the countries of origin of components. At the same time, the market power of buyers is being transformed under the influence of digitalization:

access to global information and the possibility of parallel imports level the national borders of markets, although cultural differences continue to require adaptation of the offer.

Threats from new players and substitute products (highlighted in yellow) in an international context are characterized by a high rate of spread. Technology transfer allows innovation to move instantly between continents, turning a local breakthrough into a global challenge. At the same time, barriers to entry to international markets are not so much economic as administrative and legal in nature: protectionist measures (duties and quotas), production localization requirements, and the need to comply with local technical standards become critical obstacles that can offset even significant financial advantages of a potential investor.

A key feature of horizontal power-competition between existing competitors-is its dual nature. In an international competitive environment, the company is forced to simultaneously confront local players with a deep understanding of consumer habits and administrative resources, and global TNCs that use economies of scale and cross-country resource redistribution. Thus, the presented scheme reflects not just a static set of forces, but a dynamic multi-layered system, where each element of the Porter model is reinforced by specific risks and opportunities inherent exclusively in international activities.

The process of developing a competitive strategy for an international company is based on certain methods, on a thorough study of all possible areas of development and activity and consists in choosing the general direction, in finding the most profitable market segment, in meeting consumer demand, mastering competitive methods, attracted resources and business models. If we talk about the most well-known competitive strategies, they should include image, attractiveness, and infrastructure strategies. However, it should be borne in mind that these strategies are narrowly focused, since they cannot solve all of the above tasks.

When assessing the feasibility of developing a competitive strategy for an international company entering international markets, it is necessary to evaluate the development conditions of the industry and/or sector of the national economy in which the company plans to operate, as well as the competitive advantages of the region where the business is planned. In each specific case, quantitative and qualitative characteristics are used based on available statistical data, industry and organization reports, and expert assessments. These experts may include the heads of the organizations being analyzed, leading industry experts—academics and practitioners.

All of these indicators are used in existing multivariate analysis models. Overall, this set of indicators is aimed at identifying potential growth points for a region, industry, or sector of the national economy and is a component of the competitiveness assessment system for regions, industries, and sectors of the national economy. This allows for the identification of key growth points around which a specific structure is formed, consisting of firms and organizations that are elements of the production, life cycle, and management cycles. Furthermore, this also applies to the sphere that directly supports infrastructure maintenance, as well as the provision of services. Thus, the use of this approach, unlike others, is more consistent with the development of a competitive strategy for the development of a region and doing business in it.

It is important to note the insufficiently developed theoretical framework for developing a regional competitive strategy, which should be integrated with a company's competitive strategy. This inevitably leads to the impossibility of fully utilizing it for assessing competitiveness. Current mechanisms for selecting a competitive strategy do not allow for determining which specific competitive strategy should be chosen, nor do they provide a mechanism for comprehensively assessing market potential, the investment climate, and numerous consumer groups.

A common shortcoming of all proposed competitive strategy development methods is that they presume to improve the standard of living of the region's population through business participation, but do not thoroughly consider the population as a target consumer group with a wide range of interests requiring satisfaction.

Based on the above, the authors draw conclusions that can serve as the basis for developing the following proposals:

- to achieve strategic goals, a strategic approach to international business development in a given region should be based on an integrated approach;

- Unlike businesses, it should be borne in mind that any region being assessed (analyzed) typically has more global strategic goals and a much more significant social component than researchers assume;

- If the mission was formulated as improving the standard of living of the population and enhancing the competitive status of businesses and the region, then the strategic goals must be formulated in detail.

The approach proposed by the authors requires considering the region, market segment, and business as a single, integrated, holistic system operating in the market. A distinctive feature of the proposed approach is that it proposes considering not only external but also internal consumers as potential consumers, dividing them into target groups (population, businesses, firms and organizations, etc.). Consequently, the range of needs of target groups will significantly expand. The proposed approach is based on the methodology of selecting a competitive strategy as a systemic process. To identify key success factors for implementing a competitive strategy for international business, it is necessary to use adapted frameworks for competitive analysis of the macroenvironment (RBBT analysis) and territorial competitiveness analysis (TCA analysis), which include a significantly larger number of parameters that can have a significant impact on the development of a region, market segments, and business, and whose impact can be preliminarily calculated. The analysis also requires identifying key success factors and the most significant challenges for all the aforementioned target groups.

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