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Competitiveness of commercial enterprises in the southern regions of Ukraine

Abstract. In the modern economy, competition between commercial enterprises in the regions is becoming more acute and intense. Each company strives to strengthen its position in the market, attract more customers and provide a stable income. However, to achieve a competitive advantage, it is necessary not only to follow market trends, but also to actively develop own strategies and business models. The purpose of the study was to investigate the competitiveness of commercial enterprises in the southern regions of Ukraine. The following research methods were used: graphical – for displaying the dynamics of indicators; tabular – for calculating changes in indicators; calculation of an integral indicator – for determining the most competitive trading enterprises in the southern regions. It was determined that the most fundamental character is the competitiveness of management and entrepreneurial ideas. The factors of external (the number of available population, the number of registered unemployed, the inflation index) and internal (export, import, retail trade turnover, the number of enterprises, the average salary of full-time employees, the number of full-time employees, capital investments) environment of commercial enterprises that affect their competitiveness were highlighted. As a result of the study, a decrease in retail trade turnover in the southern regions of Ukraine was revealed. In three years (2020-2022), the number of commercial enterprises has significantly decreased. The volume of exports (except for the Odesa region, where exports increased) and imports of commercial enterprises in the southern regions of Ukraine decreased, as did the number of available populations in all four regions, and the number of registered unemployed, but the average salary increased. The number of full-time employees at commercial enterprises decreased in Mykolaiv and Kherson regions, but in Zaporizhzhia and Odesa regions it increased. The volume of capital investments of commercial enterprises of the Zaporizhzhia region increased, but decreased in commercial enterprises of the Mykolaiv, Odesa and Kherson regions. There was a negative trend towards an increase in the inflation rate. It was determined that in 2022 the most competitive commercial enterprises were in the Odesa region, and the least – in the Kherson region. The practical significance of the study lies in the use of the integral assessment method to determine the competitiveness of commercial enterprises

Keywords: retail trade turnover; capital investment; inflation index; export; import

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INTRODUCTION

One of the most important components of business success is development planning and constant accumulation of information about prospects and opportunities, and about the state of markets, competitors and their own competitiveness. All businesses should actively improve their offerings, adapt to changes in consumer behaviour, and apply innovative approaches to improve their performance. Analysis of the competitive environment helps to identify strengths and weaknesses in comparison with competitors and develop strategies that allow standing out in the market.

It is important for retail businesses to develop partnerships with other companies, including suppliers, distributors, and competitors, to share experiences, access new markets, and solve problems together. Attracting and retaining qualified personnel plays an important role, which is achieved through investment in training, creating comfortable working conditions and creating a stimulating corporate culture. A company's success depends on its ability to adapt quickly to changes, innovate, and use resources efficiently. Only the active development of strategies and business models allows achieving long-term success and strengthen the position in the market.

P. Brin *et al.* (2019) investigated the theoretical foundations and methods of assessing the competitiveness of enterprises, proposing a unique dynamic assessment methodology for enterprises in the confectionery industry. They also analysed the impact of their own retail network on competitiveness, proving that the success of an enterprise depends on the competitiveness of its products, because products are the main result of the production process. The development of a classification of principles and existing methods for assessing the competitiveness of enterprises, identifying their advantages and disadvantages, was carried out by O. Shumilo *et al.* (2020). They stressed that competitiveness is a complex comparative characteristic, which is expressed through its level. Their competitiveness assessment algorithm includes the stages of determining evaluation goals, selecting competitors, forming an information base, calculating competitiveness indicators, and summing up results and conclusions about the level of competitiveness. N. Bsharat (2019) developed and described the concept of a competitive strategy for managing the competitiveness potential of a trading enterprise. The researcher substantiated the essence of the concept of strategic anti-crisis management of industrial enterprises, highlighting its main features and advantages. K. Tokar (2024) assessed the competitiveness of agro-industrial enterprises of the Vinnytsia region, which operate in various fields of agriculture and sell their products (grown, produced, or processed) through various sales channels. The analysis of the competitiveness of agricultural enterprises was carried out using the method of comparative advantages, the theory of effective competition, and benchmarking.

S. Arkhiereiev & V. Mieshkova (2019) provided a theoretical definition of the concept of "enterprise competitiveness" and developed a methodology for assessing the

competitiveness of commercial enterprises based on certain relevant methods and key indicators. They presented their vision of the assessment methodology, identifying the appropriate methodological and informational foundations. V. Herasymova & Ye. Riezanov (2020) identified the main factors influencing the competitiveness of enterprises in modern conditions. The researchers analysed the impact of internal and external factors on the sustainability of enterprise development and substantiated the importance of development management to ensure competitiveness. The product range in retail in conditions of high competition was studied by V. Datsenko *et al.* (2022), performing an ABC analysis of the "7 days" category to identify the most important positions. They compared the effectiveness of promotions and advertising in retail. The research of types of entrepreneurial strategies, highlighting corporate, business, functional, operational, and personalised strategies, was carried out by R. Tulchinskiy *et al.* (2021). They also identified strategies for achieving competitive advantages in the market, such as a cost leadership strategy, a differentiation strategy, a focus strategy, and a rapid response strategy.

The purpose of this study was to analyse the competitive advantages of trading companies in the southern regions of Ukraine.

MATERIALS AND METHODS

To investigate the competitiveness of commercial enterprises, a graphical method was used to represent the dynamics of the analysed indicators for 2020-2022 (retail trade turnover, export and import volumes, number of enterprises, capital investment volume, inflation index, integral index). The study was limited to this time period due to the lack of official statistics on the average salary of full-time employees, the number of full-time employees, capital investments, and the number of registered unemployed for 2023-2024. The use of digital data from different periods will not provide accurate information about the level of competitiveness of trading enterprises. The tables show calculations of the dynamics of indicators: the number of available population, the number of registered unemployed, the average salary of full-time employees, the number of full-time employees. The analysis was performed using digital data (State Statistics Service of Ukraine, n.d.). The most and least competitive commercial enterprises of the region (Zaporizhzhia, Mykolaiv, Odesa and Kherson) were determined by calculating the integral index. Integral index-weighted average value of normalised coefficients:

$$I = \frac{\sum_{i=1}^n K_i^{reg}}{n}, \quad (1)$$

where n – number of normalised coefficients of efficiency in the use of labour resources of farms; K_i^{reg} – standard value of the coefficient.

The equation is used for stimulant indicators:

$$y = \frac{Z_{ij} - Z_{min}}{Z_{max} - Z_{min}}, \quad (2)$$

where Z_{ij} – value of i -th indicator in j -th district; Z_{min} – minimum value of i -th indicator for all districts; Z_{max} – maximum value of i -th indicator for all districts.

Indicators of the destimulator are calculated using the equation:

$$y = \frac{Z_{max} - Z_{ij}}{Z_{max} - Z_{min}}, \quad (3)$$

where Z_{ij} – value of i -th indicator in j -th district; Z_{min} – minimum value of i -th indicator for all districts; Z_{max} – maximum value of i -th indicator for all districts.

To calculate the integral index, the indicators were divided into indicators-stimulators (average salary of full-time employees, number of full-time employees, capital investments, number of enterprises, the number of available population, export volumes, retail trade turnover) and indicators-de-stimulators (inflation index, number of registered unemployed, import volumes). To determine the competitiveness of commercial enterprises in the southern regions, a scale was proposed: 0.000-0.200 – not competitive; 0.201-0.400 – low level of competitiveness; 0.401-0.600 – satisfactory level of competitive; 0.601-0.800 – average level of competitiveness; 0.801-1.000 – high level of competitiveness.

RESULTS

In the context of the growing impact on the national economies of the scientific and technological revolution, integration processes, the spread of competition to new areas of socially useful activities and its becoming more acute, competitiveness has become a global phenomenon. The competitiveness of an enterprise is a relative characteristic that expresses the degree of difference between a given enterprise and competitors in the field of customer satisfaction. The high competitiveness of a trading enterprise is determined by the satisfaction and willingness of consumers to re-purchase the products of this company, the absence of claims to the enterprise from the company, shareholders, partners, and the prestige of working at this enterprise. The competitiveness of a retail trade enterprise, being a multi-faceted concept, not only includes quality and price parameters of goods, but also depends on the level of management, the established financial flow management system, investment, and innovation components of its activities. In addition, competitiveness is influenced by the emerging market environment, the degree of competition experienced by the enterprise from other market participants, technical equipment, the degree of innovation implementation, motivation and qualification of personnel, financial stability (Kyrylko & Babych, 2019).

The competitiveness of an enterprise is an integral characteristic. In general, it is advisable to distinguish the following structural components: competitiveness of supply in the market; competitiveness of enterprise resources; competitiveness of management; competitiveness of an entrepreneurial idea (vision). The main properties of competitiveness (in all components) are relativity and dynamic

character. Relativity is manifested in the fact that the comparison of an enterprise and its competitors allows speaking about competitive advantages in relation to one or the other party. The dynamic nature of competitiveness determines its constant insufficiency. Lack of competitiveness is one of the main driving forces, which is reflected in both strategic and operational decisions. Confidence in competitiveness often leads to lagging behind. Any advantages will sooner or later be copied or surpassed by competitors. The only sustainable competitive advantage is constant progress.

Figure 1 illustrates the relationship between different aspects of competitiveness, in particular, it emphasises that the most “fundamental” character is the competitiveness of management and the entrepreneurial idea, and the external perception of competitiveness is mainly related to the market supply.

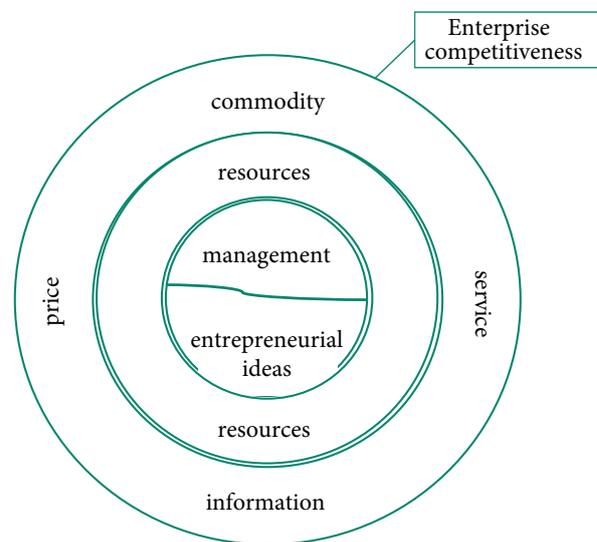


Figure 1. Competitiveness structure

Source: developed by the authors based on N. Bsharat (2019) and O. Vynogradova *et al.* (2021)

Retail trade is one of the key sectors of the economy that directly affects the development of the region and the well-being of its population (Lipych, 2023). This is an important industry that not only provides the population with the necessary goods, but also creates jobs, contributes to economic stability and infrastructure development. The development of retail trade contributes to improving the standard of living of the population, because access to high-quality goods and services becomes wider and more convenient. Retail trade turnover, as an important indicator of economic activity, largely determines the competitiveness of retail enterprises (Fig. 2). It reflects the overall level of economic activity in the region, the purchasing power of the population and the efficiency of enterprises. High turnover indicates a healthy demand for goods and services, which encourages further development of enterprises, allowing them to invest in new technologies, expand the range, improve service and improve the quality of goods.

This, in turn, contributes to the growth of competitiveness of enterprises in the market, providing them with a stable

position and the opportunity to successfully compete both at the local and national levels.

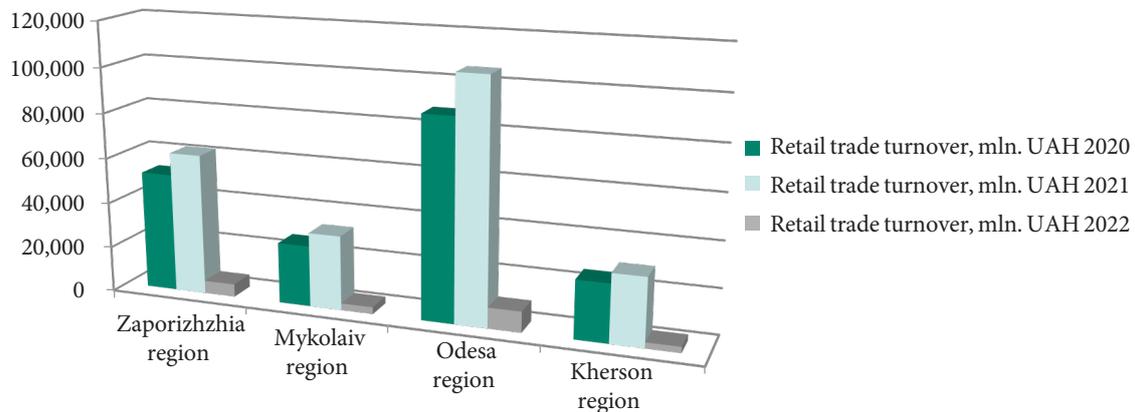


Figure 2. Dynamics of retail trade turnover in the southern regions of Ukraine, mln. UAH

Source: developed by the authors based on research by the State Statistics Service of Ukraine (n.d.)

According to the calculations, it was concluded that the volume of retail trade turnover in the southern regions of Ukraine decreased by 88-89%. Retail trade turnover is an indicator of the purchasing power of the population and the economic activity of the region. A high level of turnover indicates a significant demand for goods and services, which, in turn, ensures a stable cash flow for retail enterprises. This allows enterprises to invest in development, upgrade equipment, improve the quality of service and expand the product range. Stable and high turnover also contributes to the growth of income of enterprises, which is necessary to increase their competitiveness.

Retail trade turnover directly affects the ability of enterprises to implement innovative solutions. Modern technologies such as e-commerce, warehouse management systems, loyalty programmes, and analytics platforms enable businesses to manage resources more efficiently and optimise operational processes. A high level of turnover provides the necessary financial resources for investing in

such technologies, which, in turn, increases the competitiveness of enterprises. Retail trade turnover is closely related to consumer demand. Businesses with high turnover can better understand the needs and preferences of consumers, which allows them to develop effective marketing strategies. Due to the analysis of sales and consumer trends, such enterprises can quickly adapt to changes in the market, offering relevant and popular products. This ensures increased customer loyalty and increased market share.

High retail turnover also has a positive socio-economic impact on the region. The growth of trade activity contributes to the creation of new jobs, higher wages, and an overall improvement in the quality of life of the population. This, in turn, encourages additional demand for goods and services, creating a positive economic cycle that contributes to the further development of commercial enterprises. In the modern economy, the number of commercial enterprises is an important factor affecting their competitiveness (Fig. 3).

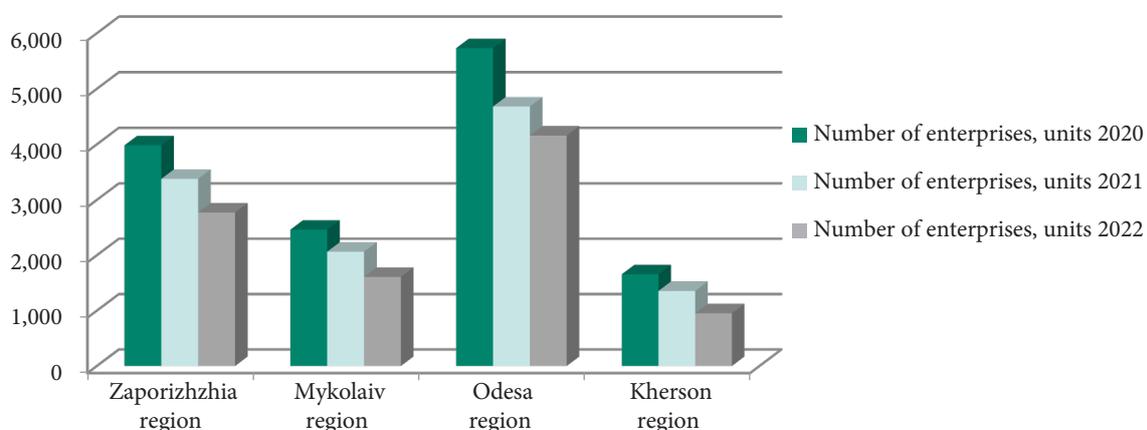


Figure 3. Dynamics of the number of commercial enterprises in the southern regions of Ukraine, units

Source: developed by the authors based on State Statistics Service of Ukraine (n.d.)

For three years (2020-2022), the number of commercial enterprises significantly decreased in the Zaporizhzhia region by 30%, in Mykolaiv region – by 35%, in Odesa region – by 27%, in Kherson region – by 43%. The more businesses operate in the same industry, the higher the level of competition. This can lead to lower prices for goods and services as companies seek to attract more customers. High competition also forces businesses to improve the quality of their products and services to remain attractive to consumers.

The number of enterprises in the industry encourages the development of innovations. Competition encourages companies to look for new solutions, implement new technologies, and optimise their business processes to maintain their market share. This not only contributes to the development of individual companies, but also has a positive impact on the entire industry. Increasing the number of

businesses can make it harder to access resources such as skilled labour, raw materials, and financial resources. Companies are forced to compete for limited resources, which can increase their value. However, high competition can encourage the development of new supply markets and the creation of alternative resources.

For consumers, the presence of a large number of businesses is a positive factor, as it provides a wide range of goods and services. In addition, competition forces companies to provide a high level of service and offer more favourable conditions for customers. The economic development of the region largely depends on the dynamics of foreign economic activity, in particular exports and imports (Fig. 4). The relationship between these indicators and the competitiveness of trading enterprises is extremely important for understanding economic processes and forming effective development strategies.

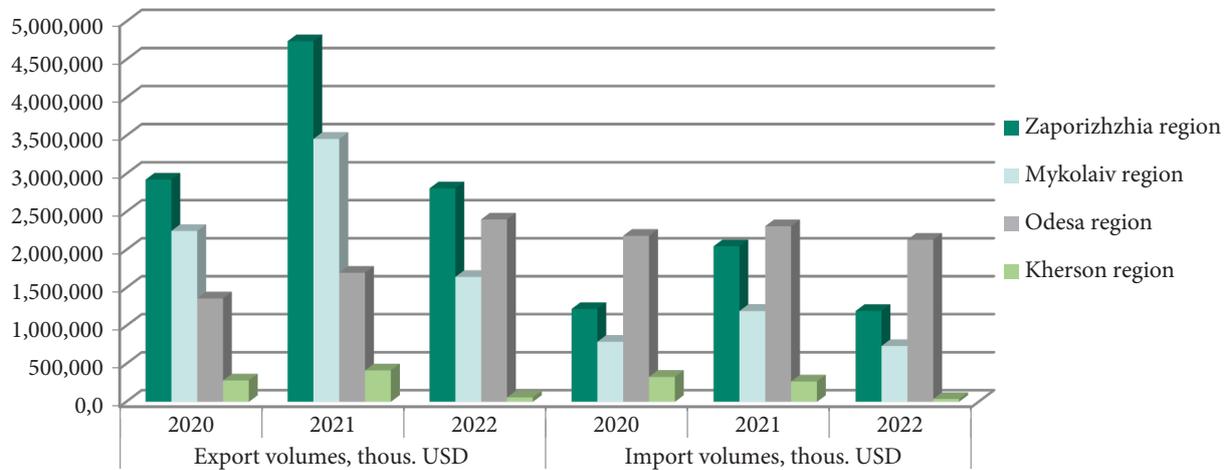


Figure 4. Dynamics of export and import volumes for 2020-2022, thous. USD

Source: developed by the authors based on State Statistics Service of Ukraine (n.d.)

During the study period, the volume of exports (except for the Odesa region, where exports increased by 76.4%) and imports of commercial enterprises in the southern regions of Ukraine decreased. Minor fluctuations are observed in the Zaporizhzhia region: exports decreased by 3.9%, and imports by 2.1%. Exports, as one of the key aspects of foreign economic activity, play an important role in ensuring sustainable economic growth. Expanding export opportunities opens up new markets for goods and services produced in the region. This not only helps to increase the income of enterprises, but also allows them to access more resources for innovation and modernisation of production. Exports encourage the development of technologies and improve product quality, as enterprises are forced to adapt to the requirements of international standards. This, in turn, increases the competitiveness of products in the domestic market. In addition, participation in international trade allows enterprises to gain valuable experience and knowledge that can be used to optimise business processes and improve operational efficiency.

Imports also play a significant role in shaping the competitiveness of commercial enterprises in the region. Access to imported goods and technologies allows businesses to increase their productivity and expand their product range. Imports help to reduce production costs, as businesses have the opportunity to use cheaper or higher-quality resources and components. In addition, competition with imported goods encourages local businesses to improve quality and innovation. This forces them to look for new ways to meet the needs of consumers, which contributes to the development of the market and improving the level of service. Imported goods also expand the choice for consumers, which contributes to their well-being and encourages the growth of purchasing power.

Demographic and socio-economic factors significantly affect the competitiveness of commercial enterprises (Table 1). Understanding these factors and the ability to adapt to changes in the demographic structure and socio-economic environment allow enterprises to effectively manage their development, meet the needs of consumers, and maintain a leading position in the market.

Table 1. Demographic and socio-economic performance indicators of commercial enterprises

Region	2020	2021	2022	Deviation, %
Number of available populations, persons				
Zaporizhzhia	1,666,515	1,638,462	1,636,322	-1.8
Mykolaiv	1,108,394	1,091,821	1,090,492	-1.6
Odesa	2,368,107	2,351,392	2,349,749	-0.8
Kherson	1,016,707	1,001,598	1,000,370	-1.6
Number of registered unemployed, thous. persons				
Zaporizhzhia	21.4	14.3	13.8	-35.4
Mykolaiv	19.2	12.8	10.0	-48.2
Odesa	19.4	12.6	8.1	-58.4
Kherson	14.1	9.6	6.8	-51.7
Average salary of full-time employees, UAH				
Zaporizhzhia	8,497.5	8,862.93	9,678.5	13.9
Mykolaiv	10,416	11,163	12,445	19.5
Odesa	8,203	8,361	10,862	32.4
Kherson	7,970	7,911	9,108	14.3
Number of full-time employees, persons				
Zaporizhzhia	27,969	29,760	28,658	2.5
Mykolaiv	14,946	14,900	13,851	-7.3
Odesa	44,868	46,955	45,677	1.8
Kherson	11,515	11,472	10,816	-6.1

Source: developed by the authors based on National Bank of Ukraine (n.d.) and Inflation index in Ukraine (n.d.)

According to the calculations, it is concluded that the number of available population in all four regions has decreased, the average salary has increased, and the number of registered unemployed has decreased. The number of full-time employees at commercial enterprises decreased in the Mykolaiv region by 7.3%, in the Kherson region – by 6.1%, but in the Zaporizhzhia region the number of employees increased by 2.5%, in the Odesa region – by 1.8%. The size of the available population is one of the main factors determining the competitiveness of commercial enterprises in the region. It affects demand, market opportunities, business development strategies, and overall economic growth. However, a high population size can also pose certain challenges to the competitiveness of commercial enterprises. For example, population growth can lead to higher property values, rents, and wages, which increases the costs of businesses. In addition, competition between businesses for market opportunities and resources may become more intense.

The size of the population directly affects the volume of demand for goods and services. A larger population means a larger consumer market, which creates favourable conditions for the development of commercial enterprises. In regions with a high population density, businesses have more opportunities to sell their products, which contributes to revenue growth and business expansion. Large localities and regions with high populations offer large market opportunities for businesses. They can afford a wider range of products and services, focusing on different market segments. This contributes to business diversification, which reduces risks and increases resilience to economic fluctuations. In regions with a large population, businesses can benefit from economies of scale. This means that they can reduce production and sales costs due to high sales volumes. Reducing costs, in turn, allows businesses to offer competitive prices, which increases their competitiveness in the market.

The high population makes the region attractive for investors. Having a large number of consumers means stable

demand for goods and services, which reduces risks for investors. This helps to attract capital, develop infrastructure, and create new jobs, which, in turn, increases the level of well-being of the population and encourages further economic growth. The size of the population also affects the availability of human capital necessary for the successful operation of enterprises. A large number of qualified employees creates favourable conditions for business development and increasing its competitiveness. In addition, the high population contributes to the development of educational and scientific institutions, which provides training for qualified personnel for enterprises. However, a high population size can also pose certain challenges to the competitiveness of commercial enterprises. For example, population growth can lead to higher property values, rents, and wages, which increases the costs of businesses. In addition, competition between businesses for market opportunities and resources may become more intense.

The number of unemployed people in the region is an important indicator of economic stability and social well-being. It affects various aspects of the activities of commercial enterprises, determining their competitiveness, efficiency and stability in the market. The number of unemployed directly affects the solvency of the population. A higher unemployment rate means that a significant part of the population has limited financial opportunities, which reduces overall demand for goods and services. This can lead to a decrease in sales and revenues of retail enterprises, which negatively affects their competitiveness. On the other hand, a large number of unemployed people means that there is free labour, which can be beneficial for commercial enterprises. This creates opportunities to reduce payroll costs and increase flexibility in hiring staff. Businesses can take advantage of this situation to attract skilled workers at lower rates, which helps reduce costs and increase competitiveness.

High unemployment can affect social stability in the region. An unstable socio-economic situation can reduce the attractiveness of the region for investors, which limits opportunities for the development of commercial enterprises. Investors may avoid regions with high unemployment because of the risks associated with potential social unrest and declining consumer demand. In regions with high unemployment, commercial enterprises may face the need to increase their social responsibility. This may include creating new jobs, participating in social programmes, and supporting the local community. Such measures not only help to improve the company's image, but also help to stabilise the socio-economic situation in the region, which in the long term can have a positive impact on competitiveness.

High unemployment can lead to lower wages, which, in turn, reduces businesses' labour costs. This can allow trade enterprises to reduce prices for their goods and services, which increases their competitiveness in the market. A decline in household incomes may limit opportunities for raising prices, which creates challenges for maintaining business profitability. The consequences of high unem-

ployment can be long-term. Declining incomes and limited opportunities for consumption can lead to stagnation of economic growth in the region. This limits the prospects for the development of commercial enterprises and reduces their competitiveness in comparison with enterprises from regions with a more stable economic situation.

Average wages are one of the key indicators of the region's economic well-being. It affects the purchasing power of the population, market demand, standard of living, and social stability. For commercial enterprises, this indicator is important, since it directly affects their competitiveness. The average salary determines the level of income of the population, which, in turn, affects purchasing power. Higher incomes contribute to higher consumer spending, which increases demand for goods and services. For commercial enterprises, this means an increase in sales and revenues, which increases their competitiveness in the market. On the other hand, low average wages can limit opportunities for consumption, which negatively affects commercial enterprises.

The average salary affects the cost of labour for enterprises. Higher wages mean higher staff costs, which can reduce the profitability of the business. However, it can also be an indicator of high productivity and quality of work, which helps to improve customer service and increase customer loyalty. On the other hand, low wages can reduce costs, but they can also lead to lower employee motivation, increased staff turnover, and reduced service quality. The average salary determines the standard of living of the population and affects the structure of demand. Higher incomes contribute to an increase in demand for high-quality and premium products, which creates opportunities for retail businesses that specialise in such products. Low average wages may limit the demand for premium goods, but increase the demand for low-cost and cost-effective goods. It is important for commercial enterprises to adapt their strategies to the level of income of the population and, accordingly, form a product range.

Average wages affect social stability in the region. High wages contribute to reducing poverty and social inequality, which improves the socio-economic situation. This creates favourable conditions for business development, attracting investment and increasing the competitiveness of commercial enterprises. Low wages can lead to social tension, which negatively affects the business climate and enterprise development. The average salary is an important factor in attracting and retaining qualified personnel. Higher wages allow businesses to attract talented employees, which improves the quality of service and work efficiency. This helps to increase the competitiveness of enterprises in the market. Low wages can make it difficult to attract qualified personnel, which can negatively affect the quality of service and productivity.

Capital investment plays a crucial role in the development of commercial enterprises and their competitiveness (Fig. 5). They provide the necessary resources to expand the business, introduce new technologies, improve the quality of service and meet the needs of consumers.

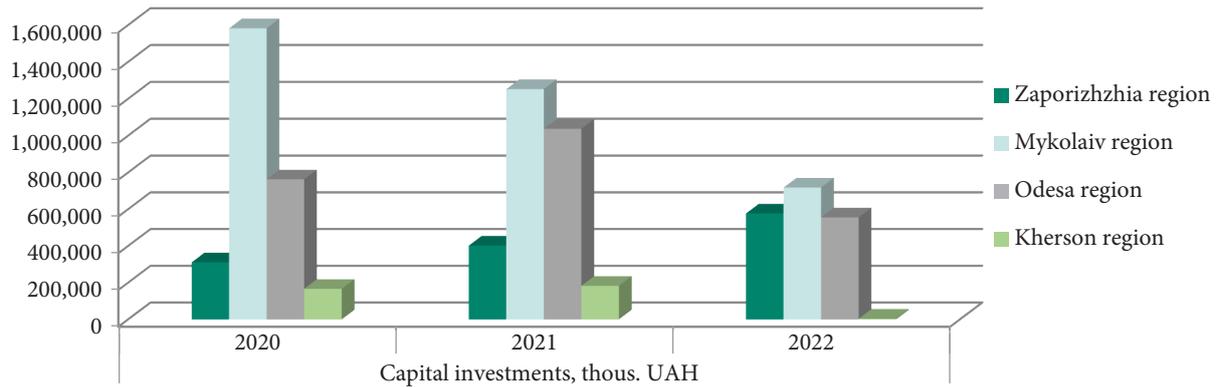


Figure 5. Dynamics of capital investments in commercial enterprises of the southern regions, thous. UAH

Source: developed by the authors based on State Statistics Service of Ukraine (n.d.)

Studies have shown that the volume of capital investments of commercial enterprises of the Zaporizhzhia region increased by 86%, but decreased in commercial enterprises of the Mykolaiv region by 55%, Odesa region – by 27%, Kherson region – by 98%. Capital investment allows merchants to expand and modernise their infrastructure. This includes the opening of new stores, warehouses, logistics centres, and other facilities, which helps to increase sales and improve the level of customer service. Infrastructure upgrades allow businesses to be more efficient and competitive, reducing operating costs and increasing productivity.

Investment in new technologies is a key factor in improving the competitiveness of commercial enterprises. They allow automating processes, reducing costs, improving the accuracy and speed of order processing, and improving logistics and inventory management. The use of modern information technologies, such as customer relationship management systems (CRM), supply chain management systems (SCM), and e-commerce, helps to improve interaction with consumers and increase their level of satisfaction. Investing in staff training and development can improve the quality of customer service. Training employees in new sales techniques, communication techniques, and management allows businesses to be more competitive. Highly qualified staff is able to solve customer problems more effectively, increase their satisfaction and attract new customers.

Capital investments in marketing and advertising help increase brand awareness, attract new customers, and retain existing ones. Effective advertising campaigns aimed at raising awareness of products and services allow businesses to increase sales and increase their competitiveness in the market. Investing in market research and consumer preference analysis helps businesses better understand customer needs and adapt their strategies to suit them. Capital investment allows retail businesses to attract innovation and develop new products and services. This helps to expand the range, improve the quality of products, improve the consumer experience and meet the diverse needs of customers. Investing in research and development allows businesses to be at the forefront of innovation, which

provides them with significant competitive advantages. And investments in business process management and automation systems can increase the efficiency of managing commercial enterprises. The introduction of modern accounting, analysis and planning systems allows management to make more informed decisions, respond faster to market changes and optimise operational activities. This helps to reduce costs, increase productivity, and increase enterprise competitiveness.

In the modern economy, inflation is one of the most important macroeconomic indicators, which significantly affects the activities of enterprises, especially in the trade sector (Fig. 6). Inflation reflects the overall price level in the economy and its changes over a certain period. A high level of inflation can have a significant impact on the competitiveness of commercial enterprises in the region, determining their ability to maintain their market positions, attract customers, and provide stable income.

In the period from 2020 to 2022, the inflation index increased in the Zaporizhzhia region by 19.9%, in Mykolaiv region – by 21%, in Odesa region – by 20.8%, in Kherson region – by 36.7%. One of the main aspects affected by inflation is the cost of production. Rising prices for raw materials, energy carriers and other resources lead to an increase in the costs of enterprises for the production and sale of goods. This, in turn, forces companies to raise prices for their products, which can negatively affect their competitiveness, as consumers can switch to more affordable alternatives. Inflation also affects the solvency of consumers. Higher prices for goods and services lead to a decrease in the purchasing power of the population, which can reduce the demand for products of commercial enterprises. In the face of high inflation, consumers are becoming more cautious in their spending, looking for cheaper alternatives, or avoiding unnecessary purchases altogether.

High inflation makes financial planning and forecasting difficult for businesses. Price volatility leads to difficulties in determining long-term development strategies and investment projects. Businesses may face increased risks associated with unpredictable changes in costs and revenues. This can hinder investment activity and innovative

development, which negatively affects their competitiveness. Inflation also affects the availability of credit resources for businesses. Raising interest rates is one of the ways to combat inflation, but it leads to an increase in the cost of

loans. Businesses, especially small and medium-sized ones, may face difficulties in obtaining funding to develop and support their operations. This may limit their ability to expand and strengthen their competitive position.

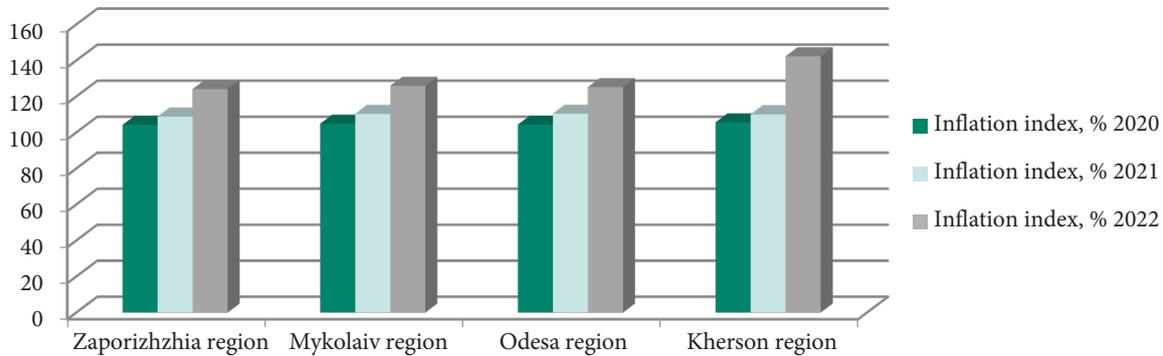


Figure 6. Dynamics of the inflation index in the southern regions of Ukraine, %

Source: developed by the authors based on Inflation index in Ukraine (n.d.)

The integral index is a powerful tool for assessing the competitiveness of a trading enterprise (Fig. 7). It enables a comprehensive approach to analysis, considering various aspects of the company's activities, such as financial

position, market position, operational efficiency, and innovation potential. This provides a more accurate and comprehensive assessment that considers not only current indicators, but also trends and development prospects.

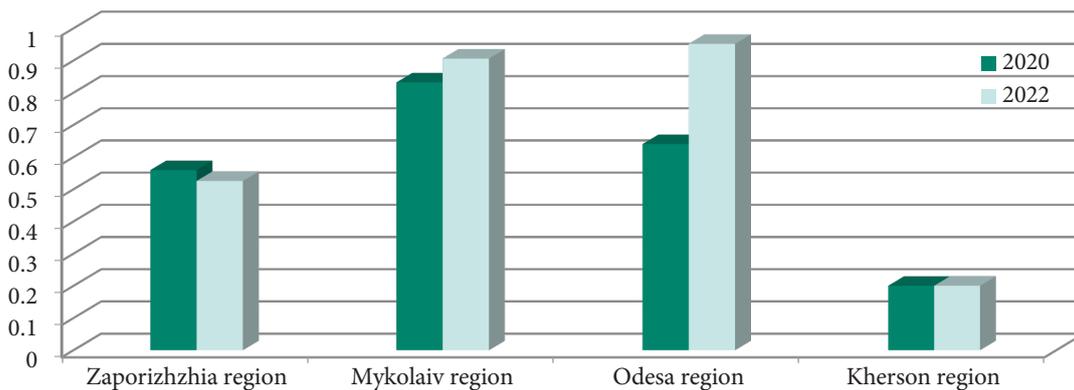


Figure 7. Dynamics of the integral index of competitiveness of commercial enterprises in the southern regions of Ukraine

Source: developed by the authors based on National Bank of Ukraine (n.d.); State Statistics Service of Ukraine (n.d.); Inflation index in Ukraine (n.d.)

According to the calculations of the integral index of competitiveness of commercial enterprises in the southern regions of Ukraine, it was concluded that in 2020, the most competitive were commercial enterprises of the Mykolaiv region (0.84). In 2022, the most competitive were commercial enterprises of the Odesa region (0.95). The competitiveness of commercial enterprises in the Kherson region has not changed and is the lowest. The use of an integral index contributes to more informed management decision-making and identification of strategic development directions. Businesses can identify their strengths and weaknesses, allowing them to develop effective strategies to improve their competitiveness. For example, if the analysis shows a low level of innovation,

the company may focus on introducing new technologies and products to improve its market position.

In addition, the integral index provides an opportunity to compare an enterprise with competitors, which is important for determining its competitive advantages and weaknesses. This helps the company's management to better understand the market situation and make more informed decisions about business development. Due to the integrated index, an enterprise can quickly respond to changes in market conditions, adapting its strategy and tactics to new challenges. This helps to ensure stable growth and improve operational efficiency, which is a key factor for success in a highly competitive environment.

DISCUSSION

The analysis of research papers on the topic of enterprise competitiveness indicates the versatility and complexity of this issue. The contribution of each of the researchers is considered separately in order to better understand their approach to the study of this important economic category. V. Baldynyuk (2022) focuses on a systematic approach to competitiveness management, which is critical for modern enterprises. The researcher suggests considering the control object as an integral model, ensuring the interrelation of all its components. This approach allows businesses to respond more effectively to market changes and maintain their competitive position. However, despite the clarity and logic of the approach, it is worth noting that in practice, the implementation of system management can be difficult due to the variety of influencing factors and the complexity of integrating various controls. N. Kyrychenko & H. Zhosan (2021), in turn, identify key factors affecting the competitiveness of enterprises, in particular, communication policy, new product development, branding and other aspects. They focus on the importance of packaging, service policies, and product marketing, emphasising the importance of these elements in competition. Their approach is valuable because it covers a wide range of aspects that affect competitiveness, but requires additional empirical research to identify priority factors in specific markets.

The study by Y. Kyrylov *et al.* (2021) focuses on the institutional and innovative components of the competitiveness of agricultural enterprises. The authors emphasise the interdependence of these components, and the importance of government support in stimulating innovation. This study is important for understanding the specifics of the agricultural sector, but its results may have limited application in industrial or service industries without appropriate adaptation. N. Sarai (2023) points out the importance of assessing the attractiveness of market segments in determining the competitive status of an enterprise. The proposed valuation algorithm provides a structured approach to market analysis, which is useful for strategic planning. However, it is unclear to what extent this approach is flexible and adapted to rapid changes in market conditions, especially in times of crisis. O. Vynogradova *et al.* (2021) provide a comprehensive analysis of competitiveness as an economic category. The researcher determined the levels of ensuring competitiveness: operational, tactical, and strategic. Their approach helps to clearly structure the processes of competitiveness management, but it is worth paying attention to the dynamism of the environment and the need for flexibility in applying these levels.

In their research, O. Vynogradova & S. Mikuliak (2020) analyse the impact of the COVID-19 pandemic on the competitiveness of enterprises, which is relevant and important in modern conditions. They emphasise changes in the socio-economic environment and the need to adapt enterprises. This study is valuable for understanding the impact of external shocks on businesses, but may be

limited in other contexts, outside of the pandemic. Yu. Grynychuk *et al.* (2019) highlight the importance of competitiveness improvement programmes as part of an organisation's strategic plan. They showed the relationship between the programme development process and strategic management. This is valuable for businesses looking to integrate competitiveness into their strategy, but their findings need to be supported by empirical evidence. N. Sapotnitska & V. Kozak (2023) investigated the competitive strategies of enterprises under martial law in Ukraine. They note that the war has become a catalyst for the rapid growth and development of Ukrainian business. This study is important for understanding the specifics of doing business in crisis conditions, but its results may be specific to Ukraine and not suitable for other contexts. Research of factors influencing the competitiveness of the bakery industry, conducted by V. Kostryschenko (2019), provides important conclusions about the specifics of this industry. The use of SWOT analysis helps to better understand the internal and external factors that affect enterprises. However, the results of this study may be limited by the specifics of the industry and require adaptation for other sectors of the economy.

Research by various authors on enterprise competitiveness highlights a wide range of approaches and aspects that need to be considered. They emphasise the importance of consistency, innovation, adaptation to external conditions and strategic management in ensuring competitiveness. However, the specifics of industries and markets require adapting general approaches to specific conditions, and further research in this area remains relevant and important.

CONCLUSIONS

The main factors of competitiveness of commercial enterprises are retail trade turnover, exports and imports, and population size. Low turnover negatively affects cash flow, investment, marketing strategies, and socio-economic development. Expanding the product range, improving service and introducing modern technologies are essential for the success of enterprises. Exports and imports contribute to the development, quality, and optimisation of business processes, and the balance of foreign economic activity ensures sustainable growth. Planning of foreign economic activity is also a key element of development in the context of globalisation. Population size affects demand, market opportunities, the economy, investment, and human capital. Population decline has a negative impact on retailers, and unemployment is important to consider in development strategies, especially in a competitive environment. Studies have shown that increased demand and availability of labour, social stability and investment climate are associated with positive dynamics of the unemployment rate. Successful functioning of enterprises requires adaptation to market conditions and consideration of these factors in development strategies. Social responsibility and active participation in improving the socio-economic situation contribute to increasing competitiveness and sustainable business development. In addition to unemployment, average

wages also affect the competitiveness of enterprises. Salary increases increase market demand, improve social stability, and promote attractiveness for qualified personnel. Capital investment is an important factor in improving the competitiveness of commercial enterprises in the region. Insufficient capital investments lead to a lack of infrastructure modernisation, poor quality of service, inefficient marketing and advertising campaigns, and limited development of new products. Commercial enterprises that actively invest in the development of resources and technologies have significant competitive advantages, which allows them to successfully operate and develop in a modern dynamic environment. To maintain competitiveness in the face of inflation, trading enterprises need to implement effective strategies. These strategies include cost optimisation through the use of modern technologies, process automation, and more

efficient resource management. Another important factor is the diversification of products and services, which reduces dependence on individual products and markets. The use of innovations, such as new technologies and management methods, helps to increase productivity and reduce costs. Flexibility of pricing policy also plays an important role in a competitive environment, helping to adapt prices to changes in the market. Further research can be conducted to investigate the competitiveness of enterprises in other industries and regions of Ukraine.

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CONFLICT OF INTEREST

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Конкурентоспроможність торгових підприємств південного регіону України

Анотація. В умовах сучасної економіки конкуренція між торговельними підприємствами регіонів стає дедалі гострішою та насиченішою. Кожна компанія прагне зміцнити свої позиції на ринку, залучити більше клієнтів і забезпечити стабільний дохід. Однак для досягнення конкурентної переваги необхідно не тільки стежити за тенденціями ринку, а й активно розвивати свої стратегії та бізнес-моделі. Метою роботи було дослідження конкурентоспроможності торгових підприємств південних регіонів України. Було використано такі методи дослідження: графічний – для відображення динаміки показників, табличний – з метою розрахунку зміни показників, розрахунок інтегрального показника – для визначення найбільш конкурентоспроможних торгових підприємств в південних регіонах. Визначено, що найбільш фундаментальний характер має конкурентоспроможність менеджменту та підприємницької ідеї. Виділено фактори зовнішнього (чисельність наявного населення, кількість зареєстрованих безробітних, індекс інфляції) та внутрішнього (експорт, імпорт, оборот роздрібною торгівлі, кількість підприємств, середня заробітна плата штатних працівників, кількість штатних працівників, капітальні інвестиції) середовища торговельних підприємств, які впливають на їх конкурентоспроможність. В результаті дослідження виявлено зменшення обсягів обороту роздрібною торгівлі у південних регіонах України. За три роки (2020-2022 рр.) кількість торговельних підприємств значно зменшилась. Обсяги експорту (крім Одеської області, де експорт збільшився) та імпорту торговельних підприємств в південних регіонах України зменшились, як і чисельність наявного населення у всіх чотирьох регіонах, а також кількість зареєстрованих безробітних, однак зросла середня заробітна плата. Кількість штатних працівників на торговельних підприємствах зменшилась у Миколаївському та Херсонському регіонах, проте у Запорізькому та Одеському регіонах збільшилась. Збільшились обсяги капітальних інвестицій торговельних підприємств Запорізького регіону, але зменшились у торговельних підприємствах Миколаївського, Одеського та Херсонського регіонів. Спостерігається негативна тенденція щодо росту рівня інфляції. Визначено, що у 2022 році найбільш конкурентоспроможні торговельні підприємства в Одеському регіоні, а найменш – у Херсонському. Практична цінність роботи полягає у використанні методу інтегральної оцінки з метою визначення конкурентоспроможності торговельних підприємств

Ключові слова: оборот роздрібною торгівлі; капітальні інвестиції; індекс інфляції; експорт; імпорт