

FEATURES OF FORMATION OF COMPETITIVE ADVANTAGES IN THE MARKETS OF DIFFERENT TYPES

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In modern economic theory, there are three basic concepts to identify the sources of competitive advantages that are presented in the order of their appearance: market, resource, institutional.

The market concept of competitive advantage recognizes as the basis of competitive advantage a market position and sectorial strategic position of entities, so the choice of a strategy depends mainly on the type of market characteristics and available resources.

By the types of competition in the modern economic theory there are pure competition; imperfect market competition (oligopoly, monopolistic competition and pure monopoly).

Perfect competition is characteristic of the market, which has a large number of buyers and sellers of the same goods (services).

Monopolistic competition arises in the industry market, which has a large number of vendors, implementing a differentiated product that allows them to exercise some control over the price of the goods (services) as long as they will not be copied by competitors.

Oligopolistic competition literally means dominance in a small number of sellers and refers to a type of imperfect competition. It is characterized by the activity of several very large companies that compete with each other and control a significant part of production and sales.

Monopoly is a form of imperfect competition that is characterized by the fact that the market there is a seller of the goods. The monopolist operates in the market alone, has control over price and issue volume, which allows him to have a long-term high monopoly profits.