

MARKET COMPETITIVENESS IN CONTEMPORARY ECONOMIES: DRIVERS, CHALLENGES, AND STRATEGIC IMPLICATIONS

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ABSTRACT

Market competitiveness plays a critical role in shaping firm performance, innovation, and economic growth. In today's globalized environment, competition is influenced by technological advancements, consumer expectations, regulatory changes, and dynamic market structures. This article explores the core determinants of market competitiveness, including cost efficiency, differentiation, innovation, and strategic agility. It also highlights major challenges firms face—such as digital disruption, rapid market entry, and supply chain volatility—while discussing how organizations can build sustainable competitive advantages. The analysis provides insights relevant for policymakers, managers, and researchers seeking to understand the evolving landscape of competitive markets.

Keywords: Market competitiveness, competitive advantage, innovation, strategic agility, market dynamics, global competition, business environment.

INTRODUCTION

Market competitiveness refers to the capacity of firms within an industry to compete effectively for market share, profitability, and long-term sustainability Chavadi, C. A., Sirothiya, M., & MR, V. (2022). It is a multidimensional concept shaped by internal organizational capabilities and external environmental forces. In modern economies, competition has intensified due to globalization, the rise of digital technologies, and increasing transparency in product and pricing information. Customers now demand higher quality, lower costs Congregado, E., Iglesias, J., Millán, J. M., & Román, C. (2016), and more personalized solutions, compelling organizations to rethink their strategic approaches.

Economic theories such as Porter's Five Forces emphasize that competitive pressures arise from industry rivalry, the threat of new entrants, the bargaining power of buyers and suppliers, and the availability of substitute products. However, contemporary markets introduce additional complexities, including technological disruptions, rapid innovation cycles, sustainability expectations, and geopolitical uncertainties Crosby, F. (1976).

Understanding the drivers and barriers of market competitiveness is essential for firms aiming to secure long-term success. Companies that fail to adapt risk losing market share or becoming obsolete Demerouti, E., Bakker, A. B., & Leiter, M. (2014). Conversely, organizations that leverage technological innovation, operational efficiency, and customer-centric strategies can maintain a sustainable competitive edge Doğantekin, A., Boğan, E., & Dedeoğlu, B. B. (2023).

CONCLUSION

Market competitiveness remains a central determinant of business success and economic development. In an era marked by rapid technological change and global integration, firms must continuously innovate, improve operational efficiency, and respond proactively to market dynamics. Competitive advantage is no longer static; it requires ongoing investment in research, digital transformation, talent development, and strategic flexibility. Policymakers also play a vital role by fostering fair competition, supporting innovation ecosystems, and ensuring regulatory environments that encourage market efficiency. As markets continue to evolve, firms capable of adapting and differentiating themselves will be best positioned to thrive in competitive landscapes.

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