DEVELOPMENT OF MARKET THEORY: THE RELATIONSHIP BETWEEN COMPETITION RISK AND THE DIGITAL MARKET

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Annotation. The development of the Internet, big data, computer algorithms, artificial intelligence, self-learning robots and other areas of the digital economy contribute to improving life. At the same time, players with market power are emerging in the economy, based on the use of algorithms, big data, big analytics, the use of intellectual property rights, the widespread use of targeted marketing technologies on this basis, not only studying, but also forming consumer preferences. The consequences of digital transformation in the economy are significant, and symbolic changes in legislation and practice of its application cannot be dispensed with here. It is necessary to measure the risks and benefits of the digital economy for competition and public welfare. Risks need to be managed, and benefits need to be multiplied. It is necessary to evaluate the new situation in the markets based on the basic postulates, and also take into account that the dynamic nature of changes has become the main characteristic of the markets.

Keywords: competition, business, digital economy, risks, development.

РАЗВИТИЕ ТЕОРИИ РЫНКА: ВЗАИМОСВЯЗЬ МЕЖДУ РИСКОМ КОНКУРЕНЦИИ И ЦИФРОВЫМ РЫНКОМ

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Annotation. Развитие Интернета, больших данных, компьютерных алгоритмов, искусственного интеллекта, самообучающихся роботов и других областей цифровой экономики способствуют улучшению жизни. В то же время в экономике появляются игроки с рыночной властью, основанные на использовании алгоритмов, больших данных, больших аналитике, использовании прав интеллектуальной собственности, широком использовании технологий целевого маркетинга на этой основе, не только изучающих, но и формирующих потребительские предпочтения. Последствия цифровой трансформации в экономике значительны, и здесь нельзя обойтись без символических изменений в законодательстве и практике его применения. Необходимо оценить риски и преимущества цифровой экономики для конкуренции и общественного благосостояния. Необходимо управлять рисками, а выгоды необходимо умножать. Необходимо оценивать новую ситуацию на рынках, основываясь на основных постулатах, а также учитывать, что динамичный характер изменений стал основной характеристикой рынков.

Ключевые слова: конкуренция, бизнес, цифровая экономика, риски, развитие.
Introduction. The relevance of the study was due to the active penetration of digital technologies into all spheres of life of modern society. The business community and governments of the countries of the world, including the Russian Federation, have realized the need to accelerate the processes of digitalization and digital transformation of the economy in order to achieve competitive positions in the emerging digital space of the new world economy, which requires analytical and scientific and methodological study of the implementation of such changes.

To begin with, we will define such a concept as "competition risk". So, the risk of competition is the probability that your competitor's actions will negatively affect your business.

Competitive risk is the risk associated with the fact that there are often competing companies in the market, each of which strives to get the highest position and consumer rating on it in order to get the maximum benefit for themselves.

This term refers to the potential losses that your company or organization may incur due to the competitive forces of other companies in your field of activity. There are a number of factors that can affect competitive risk, for example, competitor innovations, prices, available resources, advantageous location, effective distribution, effective promotion, etc.

Often, especially if your business operates in a highly competitive market, competitive risks can actually lead to numerous improvements, such as: улучшение
- Improving quality control;
- cost reduction;
- product quality improvement and so on.

Results and discussion. Indicators of successful overcoming of competitive risk are an increase in market share, sales volume, the degree of penetration of the company into international markets, etc.

Important:
1. Risk management is an integral part of any business. This will help you assess and possibly even prevent competitive risk.
2. Nowadays, the market is growing very fast, increasing competition and creating more reasons for competitive risk.

Competitive risk management is the preparation of your business for future situations, no matter how critical they may be.

There are a number of reasons why there is an increase in competition between companies, which in turn is reflected in an increase in the level of competitive risk. Let's consider the main ones.

Poor-quality marketing policy of the company. In this case, it is possible to note the miscalculations made during marketing research, market segmentation, determining the product life cycle, errors in positioning and conducting advertising campaigns, incorrect choice of product packaging, building an inefficient distribution channel system, etc.

Unfair competition, manifested in the use of unfair methods of struggle by competing companies.

The emergence of new companies on the market. These may be new product manufacturers or new importers. The main task of new companies is to gain market share. To do this, they pursue an aggressive marketing policy, carry out price dumping, etc. The appearance of substitute products, especially if they are available at lower prices and the demand for the company's products is elastic.

Weak innovation activity of the company. In an era of rapid growth of scientific and technological progress, innovative risks can significantly weaken the company's position in the market.

Omissions in the pricing policy of the company. For the consumer, the price is a key parameter for choosing a product. Therefore, a higher price (other things being equal) in comparison with competitors' goods can have a negative impact on consumer choice [4].

The term "Digital Economy" can be most fully defined as a form of organization of the economic activity of society and socio-economic relations within it, which appeared as a result of scientific and technological progress, aimed at creating greater value through the use of technologies of the sixth technological order, and ensuring its long-term sustainable development.

The competitiveness of business structures today is closely related to the processes taking place in the global economy. It should be noted that the world economy in recent decades has acquired qualitatively new features in connection with the development of globalization and its transition to a resource-saving type of development, due to a sharp increase in prices for energy goods and raw materials. In the 90s of the XX century there was a transformation of resource-saving into an innovative type of economic development. During this period, innovations in the form of computer equipment and communications, information technologies became widespread, which became influential factors of economic growth, and at the beginning of the XXI century, due to the development of innovation in developed countries, they acquired a fundamentally new importance in economic development.

The introduction of digital technologies allows entrepreneurs to increase the competitiveness of companies, increase labor productivity, reduce production costs, and increase consumer satisfaction. The digital economy is the most important engine of innovation, competitiveness and economic growth of business structures around the world. Modern technological innovations in the digital sphere provide new opportunities for business development, open up a great potential for creating new business values of companies, for the transition to digital production.

Competitiveness - an integrated indicator is considered as the ability of enterprises to create, produce and market products that are more attractive to market consumers than the products of competitors. To assess the level of competition, economic, scientific, technological, resource indicators, professionalism of employees, availability of information resources are used. These are factors that affect business processes. At the stage of intensive development, the efficiency of business processes increases due to the motivation of
staff work, the development of talents. The quality of
the management cycle depends on the degree of
implementation of the tasks and management decision-
making.

The globalization of the world economy and fierce
competition lead to a reduction in the life cycle of
products and the need for constant innovation.
Innovative technologies make it possible to achieve
stability in the market environment, maximize the use
of intellectual potential, and form a competitive
economy. But enterprises still face an acute issue of
promoting the results of intellectual activity embodied
in new technology, production technologies to the
world market. Studies of existing programs at the
federal level, analysis of strategies of the Ministry of
Economic Development show unresolved acute
problems of promoting the results of intellectual
activity, unique technologies on the world market. The
absence of organizational centers for the promotion of
high-tech products and technologies does not
contribute to the transition to a new stage. In addition,
it is necessary to coordinate actions in the management
of innovative developments and pool resources in the
creation of basic elements of innovation infrastructure,
including high-tech clusters, technology parks,
innovation centers [7]. Innovation centers contribute to
a faster and more efficient distribution of new
knowledge, scientific discoveries and technologies,
they have experience in ways to attract and use
investments [5].

"Disruptive" technologies affect the foundations
of economic activity. The transformation of business
processes throughout the value chain, characterized by
responsiveness and adaptability, provides a high level
of flexibility for producers and consumers, focusing on
joint production, consumption, joint creativity and
human relationships. New business models increase
efficiency and provide opportunities to enter global
markets through the use of communication and data
processing. At the same time, competition from new
business models encourages traditional enterprises to
innovate.

It is predicted that with the intensification of
global production and the spread of new knowledge,
competition in the search for talent and resources
between countries, regions and cities, as well as startup
ecosystems, will increase. The startup ecosystem
consists of people, technology startups at various stages
of development and other stakeholders and
organizations that support or unite these startups,
interacting in various directions in order to create and
scale new enterprises. If in traditional business clusters
there was horizontal competition between companies
occupying similar positions in the value chain, then in
startups or entrepreneurial ecosystems horizontal
cooperation and networking are developing, and
vertical competition is with industrial enterprises
located outside the cluster. There is often a strong sense
of community between startups, which contributes to
creating conditions for learning each other, for
example, in terms of developing business skills and
scaling radical business models [2].

For a long time, digital transformation meant the
transfer to digital format or the storage in digital format
of traditional forms of data. This is also one of the
directions of digital transformation. Its interpretation is
in the "narrow sense". However, in the modern world,
this concept is much broader than the translation of data
into digital format. When enterprises and organizations
realized all the possibilities of using digitized data, they
began to develop processes for these purposes. From
that moment on, digital technologies began to develop
rapidly, and the ability to implement them quickly
directly determines the competitiveness of an
organization in the market.

To make effective use of digital data, organizations
must constantly implement emerging technologies, test them and use the results to better
adapt and be ready for the challenges of the future. Despite the fact that the introduction of new
technologies is a more risky approach than using
already familiar systems and devices, the potential
opportunities and returns will, in our opinion, be
significant.

Freedom of choice and competition are the
objective reality of any market interactions, in these
conditions, the ability to combine other third-party
solutions and integrate into third-party solutions under
given conditions is extremely important. Moreover, in
the digital economy, this should be massively
accessible and uniquely competitive.

At the same time, increasing competition in the
emerging digital space and intensive cross-professional
and social relationships, transforming into something
new on the basis of a whole network of connected
information automated systems, generate problems of
varying degrees of complexity [6]. One way or another,
but some of the practically significant problematic
issues that arise, economic entities are forced to solve
today with the means and tools that are available to
them. Most of them are subject to a certain
understanding, theoretical and technological
elaboration.

It is important that Russia has a huge potential for
the development of HR: Russian developers are more
than competitive at the global level, and entrepreneurs
quickly perceive new ideas and are ready to invest their
own funds in them. Thus, there is hope and confidence
that the growth rates of the digital economy in our
country will not just be high, but higher than in the
leading countries, and the statistics of recent years only
confirm this.

The human factor creates a number of difficulties
in the digital transformation of socio-economic
systems.

The first difficulty is a critical shortage of
competent specialists. The first fundamental program
"Digital Transformation" for the training of certified
communicators in the field of business transformation
has been launched at the Moscow School of Advanced
Communications MACS. Among the educational
disciplines are trend analytics, digital system
architecture, building effective operational and
business models, digital marketing and digital
transformation process management. The school
The second difficulty is the limitation of the conversion rate. The organization does not transform simultaneously, and for some time digital products exist in parallel with analog ones. The operational model of the organization should allow work in both classical and innovative mode, so that changes take place with minimal risks. Often there is competition between the digital and traditional departments of the company. The responsibility for solving the problem lies with professional management. For example, the Bank of Russia first prepared an operational landscape and implemented project management.

The third difficulty is the conservatism of the top management. Digital transformation involves additional expenditure of time, effort and money, and not everyone is ready for this. The key to success is the flexibility of management and the willingness to empower those employees who have the necessary digital competencies. And it is very important, real, and not in words, understanding of the potential of breakthrough technologies and the inevitability of transformation.

The main goal is to increase business efficiency and reduce costs. In turn, information technologies are designed to help search for new forms and ways to create profit. Digital culture – the readiness of a socio-economic system for development and flexibility in the introduction of new technologies - will determine its viability and competitiveness in any field of activity.

Conclusion. It is true that the digital economy is a new reality, the achievement of which through digital transformation based on digital platforms is a unique tool of the digital revolution, the timely and correct use of which will allow the Russian Federation to gain competitive advantages already in the new digital economy [3].

In general, there are 3 levels of impact on the competitiveness of organizations in the transition period of the digital era: the employee (personality), the organization itself (favorable internal environment), the state. It is the personnel who have the desire to unleash their creative potential in achieving the goals of the organization, which is one of the main driving forces of the company. At the same time, for the normal functioning of all processes in the organization, it is necessary to create a favorable internal climate and a strong corporate culture. The state also plays a significant role in the formation of the digital economy, namely in creating the necessary digital infrastructure, stimulating the digital transformation of organizations, financing fundamental and applied research, etc. [1]

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