THE COMPETITIVE ADVANTAGES THEORETICAL ASPECTS

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Abstract
The Article analyses the concept of competitive advantages, creating competitive advantages, model competitive advantages. It is argued that competitive advantage is influenced by the factors such as infrastructure, the complexity of the business, labor and goods market efficiency, financial market complexity, innovation, technology, institutions of higher education and training, and macroeconomics. It is also believed that equally important ~~for~~ are both external ~~as~~ and internal factors These factors determine whether a company is able to defeat its rivals and lead the market. Competition has its theoretical models and competitive advantage in the development of strategies as part of the targeted helps companies gain a competitive advantage over the competition. It is important to regularly monitor and examine the target competitors' strategies to quickly respond to their actions in order to grasp how to overcome them and find themselves in the leadership position ~~it~~ so that to survive and conquer the market.

Key words: *competitive advantages, creating competitive advantages, model competitive advantages, competition, competitors*

JEL Classification: M30, M39

I. INTRODUCTION

Every company in the market has a competitive strategy that improves a rapidly changing business environment and globalization in order to increase profits and customer loyalty. The company is constantly looking for new opportunities and the ways to make their operations more efficient. For some companies major important factors are competitive strategies and plans for strengthening the competitive advantage, while others focus on the company‘s growth, the number of operations and investigations. Each company seeks to attract new customers, and also to retain them and to look for ways for how better adapt to consumer needs and satisfy them. The company does not need to offer the lowest prices on the market and a better quality product than the competition, but it is important to react faster than the competition in a changing environment, adapt to market developments, as well as innovation in the company's activities. The article purpose – analysis of the competitive advantages theoretical aspects. Research methods – scientific literature analysis, comparison method.

II. CONCEPT OF COMPETITIVE ADVANTAGES

Korsakienė (2012) argues that the competitive advantages include positional and performance advantage relative to competitors due to the business held and distributed resources and capabilities advantage. Therefore, the competitive advantage is defined as a significant advantage over its competitors due to the cost allocation and the results of the operation of which depends on the positioning strategy. The competitive advantage in preventing the acquisition of goods or service provider to relax, because competitive advantage can be copied. Competitive wars are going on constantly, so there's no guarantee that competitive advantage will be maintained for long (Sekliuckienė, Langvinienė (2011)).

Duncan, Gintei , Swayn (1998) stated "assess the extent of the competitive advantage or disadvantage possessed by each of the identified strategic resources and capabilities. Alternative values are assigned according to the following definitions; Inadequate. The resource or capability is below the minimum required to be in the business.:

Adequate. The resource or capability is the minimum required to be in this business or to minimally compete.

Attractive. The resource or capability is better than the minimum required to compete but does not represent a particular advantage (or disadvantage in the case of a weakness). It will merely get the attention of appropriate individuals.

Potential. The resource or capability is sufficient to attract attention and represents an important strategic consideration.

Competitive. The resource or capability represents a clear competitive advantage/disadvantage relative to members of the strategic group.

Distinctive. The resource or capability cannot be duplicated by competitors.”

Table 1 Concept of competitive advantages

Author	Concept of competitive advantage
Porter (1980)	Competitive advantage is at the heart of a firm’s performance in competitive markets. Competitive advantage means having low costs, differentiation advantage, or a successful focus strategy. Competitive advantage grows fundamentally out of value a firm is able to create for its buyers that exceeds the firm’s cost of creating it.
Saloner, Shepard, Podolny (2001)	Most forms of competitive advantage mean either that a firm can produce some service or product that its customers’ value than those produced by competitors or that it can produce its service or product at a lower cost than its competitors.
Wang (2014)	Competitive advantage is obtained when an organization develops or acquires a set of attributes (or executes actions) that allow it to outperform its competitors. The development of theories that help explain competitive advantage has occupied the attention of the management community for the better part of half a century.
Ghemewat (1986)	The competitive advantage is more sustainable the greater the number of sources of cost or differentiation advantages.
Barney (1997)	The competitive advantage is considered sustainable if those resources are also nonimitable (i.e., cannot be easily duplicated by competitors), nonsubstitutable (i.e., other resources cannot perform the same function), and nontransferable (i.e., cannot be acquired in the marketplace).
Hunt (2000)	Modern business strategy maintains that the strategic imperative of a firm should be sustained, superior financial performance and the belief that this goal can be achieved through a sustainable competitive advantage in the marketplace.
Kay (1993)	Competitive advantage is a deceptively simple idea of assessing a company’s capabilities and market position by how they give it advantage 4 relative to competitors’. Competitive advantages are ephemeral and only worth as much as the value that the market places on them.
Powell (2001)	Competitive advantage has generated a large volume of scholarly output, both theoretical and empirical; firms do, by all accounts, attempt to identify, create and leverage competitive advantages; and competitive advantage is universally accepted in strategic management courses and textbooks as an essential concept in strategy.
Urbancová (2013)	The innovative activity of organisations significantly influences competitiveness which is based on inimitable skills and abilities. Achieving a higher competitiveness by means of innovations means producing less costly products of better quality compared to those manufactured by competitors.

Hanningtone, Struwig, Smith (2013) stated that Competitive advantage is sustainable when rival firms give up plans to imitate the resources of the competitors or when barriers to imitation are high. When the imitative actions have come to an end without disrupting the firm’s competitive advantage or when it is not easy or cheap to imitate, the firm’s competitive strategy can be called “sustainable”.

III. CREATING COMPETITIVE ADVANTAGES

Every company that wants to be competitive must pay proper attention to its competitors, to investigate them, as well as understand– the target customers. In order to gain an advantage over the competition, it is important to present such proposals that fulfill the needs of the target users to a greater extent than the competitor offers. When choosing a marketing strategy the company needs to take into account competitors' strategies and target the needs of users, so it is of utmost importance to analyze the competition.

Competitor analyses are the following:

• Companies setting their competitors - competitors, companies offering the same services or products to the same customer groups by offering a similar price. Also, competitors may be considered to be companies that ~~are~~ not only produce similar or identical goods and services, but also meet the same needs.

• Competitor definition of the objectives - It is important to find out not only the competitor's profit targets, but also how important are competitor market share growth, service, technological leadership and other targets.

• competitors setting strategies - must know the characteristics of competing products, quality, range of prices and their policies, the subtleties of customer service, sales incentive programs and distribution chains. It is also necessary to study the competitors in product development and research, purchasing, finance and production strategies.

• Competitor assessing strengths and weaknesses - the company has to find a few years information about its competitors, identify their goals, strategies and operational efficiency. Intentions to obtain the necessary information are the primary customers, dealers and suppliers of marketing research. In search of flaws competitors, the company has to look for any assumptions about their competitors or business inefficiencies in the markets.

• Competitor retaliation rating - Some of the actions of competitors react slowly, thinking that they have loyal customers pay, quickly identify the behavior of competitors or does not have a sufficient budget to respond to them. Others react to price reductions, but pay attention to the intensification of advertising competitors, other companies in all actions of the competitors react instantly and do not allow them to occupy the market, but there are also those whose action is unpredictable, even on the basis of economic, historic or other data.

• Competitor Selection - When a company wants to use the least possible time and resources, it uses weak competitors, but in order to reveal their potential and get a higher return, seeks to overcome stiff competition. Some competitors behave as expected, in compliance with industry rules to ensure market stability, are able to set prices according to costs, encourage other companies to reduce prices or increase differentiation. However, the other competitors in the market are not winning, but buying, strong risk, deliberate trying to destabilize the industry.

The company that wants to create for itself an effective marketing strategy must get much information about its competitors. It is important to constantly analyze the differences between the major competitors and their products, pricing, sales support programs and distribution chains. In carrying out these actions the company determines its own potential strengths and weaknesses and becomes more effective in its marketing campaign against the competition.

According to Kotler (2012), in the competition it is important to develop competitive strategies that would stand out from its competitors, but firstly it is essential to know its market position, goals, capacities and resources. Kotler distinguishes four different positions:

1. The leader - the company that owns the largest market share in the industry. The Other company adapts to its new products, price changes, product distribution and support;

2. Contender for the leader its industry is in the second position only to the leaders trying to capture a larger market share, attacking the leader;

3. Follower - the company does not want to change the situation in the market and will maintain the current share of the market, fearing more to lose than gain profit;

4. The niche filler - services to small segments of the market, other companies go unnoticed or ignored.

This market position specifying the strategy take the company or it could be viewed as a dangerous competitor to the market leader, and it only serves the remaining segments, which are not relevant to large companies governing market conditions and constantly seeking to conquer the rest of the market, as the competitive struggle never ends.

Competitive advantage is divided into 3 strategies:

1. Pricing strategy - important for companies that produce and sell standardized products. The idea is to reach a huge market and audience. In order to take this strategy requires significant investments that help increase productivity, and improved product manufacturing processes of the organization, interspersed products.

2. Distribution strategy - includes the company, which produces and sells strongly individualized goods. As products and services are unique, this strategy allows the firm strongly dominate and also promote the growing attention and an advantage over the competition.

3 Recollection strategy - this strategy allows the company to focus on narrow market segments in which it will try to become superior to the competitors, optimizing the allocation price. These strategies take small and medium-sized firms, in order to avoid direct contact with stronger rivals.

In summary, it can be said that competition is the engine that encourages companies to quickly respond to arising situations and adapt to the environment, to follow competitors' actions and mistakes, share and learn from others. This is a business basis, which drives companies to grow, innovate and of course to meet the changing needs of their customers. Various scientists do not agree on a precise definition of competitive advantage but they reveal a variety of factors, and analyze them in various aspects.

It is argued that competitive advantage is influenced by the factors such as infrastructure, the complexity of the business, labor and goods market efficiency, financial market complexity, innovation, technology, institutions of higher education and training, and macroeconomics. It is also believed that equally is important for both external as internal factors. These factors determine whether a company is able to defeat its rivals and lead the market. Competition has its theoretical models and competitive advantage in the development of strategies As part of the targeted help companies gain a competitive advantage over the competition. It is important to regularly monitor and examine the target competitors' strategies to quickly respond to their actions in order to grasp how to overcome them and find themselves in the leadership position ~~it,~~ to survive and conquer the market.

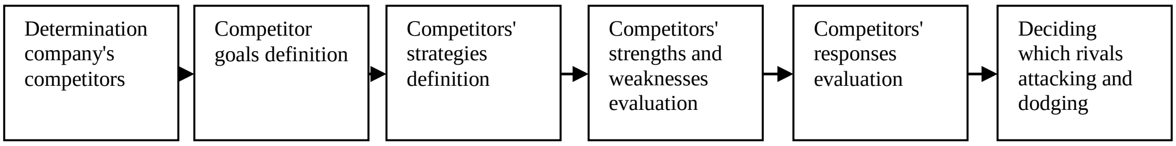

Figure 1. Competitor analysis phases (Kotler, Amstrong (2012))

The company, which wants to create an effective marketing strategy, must get as much information about their competitors as possible. It is important to constantly analyze the differences between the major competitors and their products, pricing, sales support programs and distribution chains. In carrying out these actions the company determines its own potential strengths and weaknesses and develops more effectively in its marketing campaign against the competition.

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When position market taken in policy-making. Alina-Daniel says that competitive advantage is divided into 3 strategies:

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In summary, it can be said that competition is the engine that encourages companies to quickly respond to arising situations and adapt to the environment, to follow competitors' actions and mistakes, share and learn from others. This is a business basis, which drives companies to grow, innovate and of course to meet the changing needs of their customers. Various scientists do not agree on a precise definition of competitive advantage but they reveal a variety of factors, and analyze them in various aspects.

IV. MODEL COMPETITIVE ADVANTAGE

Companies are constantly looking for the ways to make their operations more efficient try to make their products more competitive and at the forefront of the market, to attract more long-term customers. Manufacturing of its products is the fight for customers, discussed how best to adapt and meet their needs. Therefore, it is important to analyze and figure out a company's competitive advantage model for carrying out its activities. Mr Porter - one of the first scientists who analyzed in detail the competitive advantage of its resources and formed the five forces model. (Fig. 2) According to this model, the researchers investigated the possibilities of competitive advantage. Analysis to evaluate the factors that determine the competitiveness of the essence and growth.

Each of these five forces (suppliers, new competitors, customers, substitutes, and existing competitors in the market) are considered structural factors: threat of new competitors, the bargaining power of buyers, bargaining power of suppliers, threat of substitutes. These factors affect the country, the company and the industry in competition. It is important to imagine what could create barriers to competitors that the company at the forefront and would not force out of the market; which must be buyers and suppliers that do not express their dissatisfaction and do not claim against the requirements; as customers ~~to~~ assess the company, its products and services, which may see advantages against competitors' products; the operation of competition with other companies. Following the analysis of all these factors and their parts it is easier to get a competitive advantage. This model shows in which areas the company, industry or country is superior to competitors, and how it is best used.

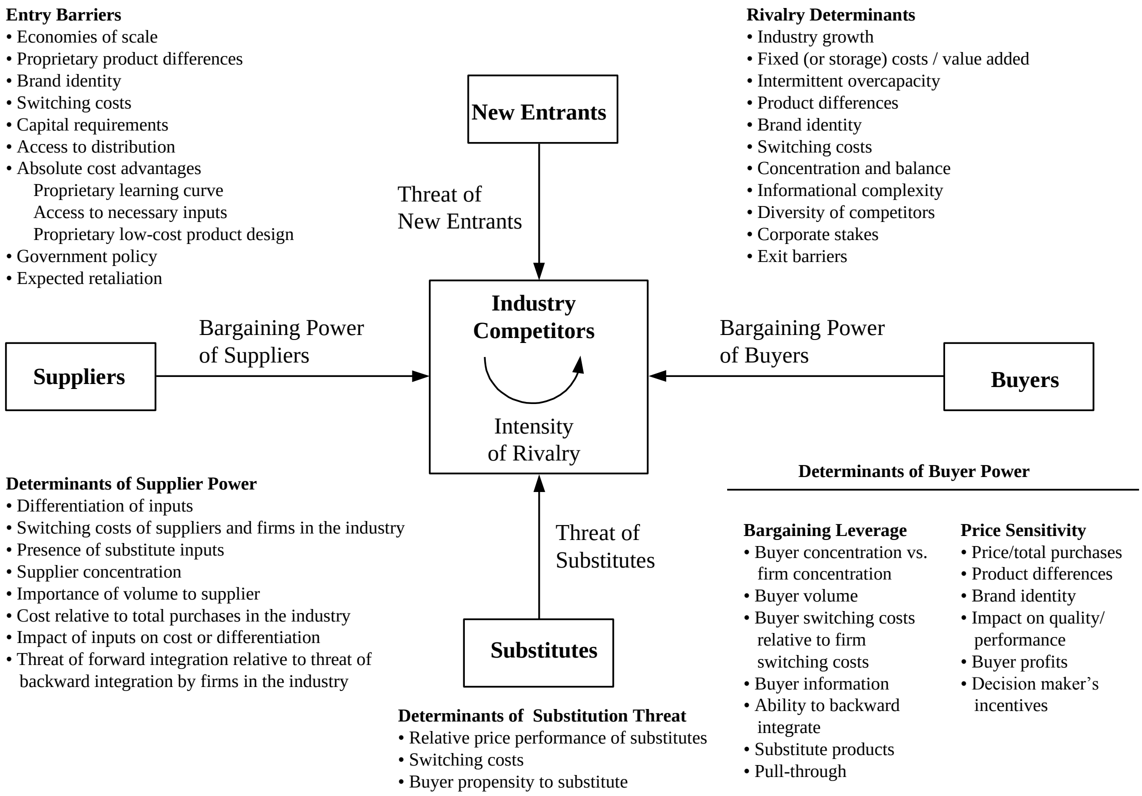

Figure 2 Porter's five forces model (Porter (1990)

According Korsakienė (2011), the integrated competitive advantage model based on the following aspects: competitive advantage due to environmental factors, focusing on the actions of competitors and consumers; resource-based theory of competitive advantage that objects - the company's resources and skills; • forming strategic alliances based on assumptions. Competing firms simulation assumptions constitute barriers competitive position in the market. Simulation barriers include: organizational culture, information asymmetries, management skills, etc.

This model shows that by combining resources and capabilities with the external environment they become directly involved in strategic alliances in the formation of the appearance thanks to predatory, increases productivity, creates new resources and skills, as well as new products, services, markets, and significantly reduces the risk of . It conveys the link between the company's valuable resources and skills, simulation barriers and factors affecting the industry. This model provides an opportunity to examine the continuing competitive advantage in speed. By acquiring and maintaining a competitive advantage the company can focus on the coordination between the internal and external environmental factors, resources and cooperation.

V. CONCLUSIONS

Competitive advantage can be defined as the market against competitive position, which has an impact on competitors in the market structure. Based on the literature analysis, the following competitive advantages by external and internal factors were discusses: political, economic, social, ecological, technological environment, strategy and rivalry, demand conditions, industry cluster. The source of competitive advantage identified the following factors: inherent characteristics of strength, radical innovation, knowledge management, competitive advantage sources customization, economies of scale, human resources, business management, organizational culture and higher level of prices for international clients. The company’s analysis of competitors is to identify the company's competitors, defining their objectives and strategies determined competitors, an assessment of the advantages and disadvantages of retaliation and going on the competitors’ selection.

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