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Article

Modern Research on the Price Competitiveness of Enterprises

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Abstract: This article examines modern research approaches to the price competitiveness of enterprises in the context of globalization, digital transformation, and innovation-driven economic development. The concept of price competitiveness is analyzed as a multidimensional economic category that reflects the ability of firms to offer products at optimal prices while maintaining profitability and market share. Contemporary research highlights the growing role of technological innovation, digitalization, productivity growth, and cost management in shaping competitive pricing strategies. In contrast to traditional models based primarily on cost reduction, modern approaches emphasize the integration of intangible assets, data-driven decision-making, and flexible pricing mechanisms.

Keywords. price competitiveness, enterprise competitiveness, pricing strategy, innovation, digitalization, cost efficiency, productivity, market competition, economic transformation, competitive advantage

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Introduction

In the context of rapid globalization, technological progress, and increasing market integration, the issue of price competitiveness of enterprises has become one of the central topics in modern economic research. Price competitiveness reflects a firm's ability to offer products and services at attractive prices while maintaining profitability and sustainable market positions. In today's highly dynamic economic environment, this concept is no longer limited to cost minimization but increasingly depends on innovation, digital transformation, and strategic management decisions.

Modern research on price competitiveness has evolved significantly compared to traditional approaches. Earlier studies primarily focused on production costs, economies of scale, and market structure as the main determinants of pricing. However, contemporary scholars emphasize a broader framework that includes productivity growth, technological innovation, digitalization, and the role of intangible assets such as knowledge, brand value, and intellectual property. These factors fundamentally reshape

how enterprises form pricing strategies and compete in both domestic and global markets.

Another important dimension of modern research is the increasing role of data and digital technologies in pricing decisions. The development of big data analytics, artificial intelligence, and algorithmic pricing allows firms to adjust prices in real time, respond quickly to changes in demand, and optimize revenue streams. At the same time, such transformations raise new challenges, including market concentration, potential price manipulation, and the need for effective regulatory frameworks.

Furthermore, the price competitiveness of enterprises is closely linked to the institutional and macroeconomic environment. Government policies, competition law, market openness, and access to finance all influence firms' ability to compete on price. In emerging and transition economies, these factors play a particularly important role, as enterprises must adapt to ongoing structural changes and increasing international competition.

Thus, the relevance of studying modern approaches to price competitiveness lies in the need to understand how enterprises can maintain and strengthen their competitive positions under conditions of technological change and economic uncertainty. The objective of this article is to analyze contemporary theoretical and empirical research on price competitiveness, identify its key determinants, and assess the implications for enterprise strategy and economic policy.

Literature analysis

Modern research on the price competitiveness of enterprises is based on several major theoretical approaches: classical competition theory, strategic management, innovation economics, productivity theory, and digital transformation studies. In earlier economic literature, price competitiveness was mainly understood as the ability of a firm to reduce costs and offer goods at lower prices than competitors. However, contemporary studies interpret this concept more broadly, linking it with innovation, productivity, digital technologies, institutional conditions, and market structure.

The strategic approach to price competitiveness is strongly connected with the works of Michael Porter. According to Porter's competitive strategy framework, firms can achieve competitive advantage through cost leadership, differentiation, or focus strategy. Cost leadership is especially important for price competitiveness because it allows enterprises to offer lower prices while maintaining profitability [1].

At the same time, modern research emphasizes that price competitiveness should not be reduced only to low prices. Enterprises must also maintain product quality, brand value, and customer trust.

Another important direction is the innovation-based approach. Studies on endogenous growth theory, especially the work of Paul Romer, show that technological change and knowledge accumulation are key drivers of productivity growth [2].

For enterprises, this means that innovation can reduce production costs, improve efficiency, and create new pricing opportunities. Therefore, modern price competitiveness depends not only on cheap labor or raw materials, but also on research and development, digital tools, and technological modernization.

OECD studies also confirm the relationship between competition, innovation, and productivity growth. According to OECD research, competition-enhancing reforms may generate long-term gains because firms continue to innovate under competitive pressure [3].

This is directly related to price competitiveness: when firms innovate, they can reduce unit costs, improve quality, and respond more flexibly to market demand. Thus, competition becomes a mechanism that encourages firms to search for more efficient pricing strategies.

A separate group of studies focuses on digital transformation. In the digital economy, enterprises increasingly use big data, artificial intelligence, online platforms, and algorithmic pricing. These tools allow companies to monitor demand, compare competitors' prices, and adjust prices in real time. As a result, price competitiveness becomes more dynamic and data-driven. However, digitalization also creates risks, such

as market concentration and possible algorithmic coordination of prices. Therefore, modern researchers pay attention not only to enterprise strategies but also to regulatory and institutional frameworks.

Productivity theory is another important foundation of modern research. Price competitiveness is closely linked to productivity because enterprises with higher productivity can produce more output with fewer resources. This allows them to reduce costs and offer more competitive prices. In this sense, innovation, human capital, digitalization, and efficient management become indirect but powerful factors of price competitiveness.

Overall, the literature shows that modern price competitiveness is a multidimensional concept. It includes cost efficiency, innovation capacity, productivity, digital transformation, market competition, and institutional support. Contemporary research moves away from the narrow idea of "low price" and instead views price competitiveness as the ability of enterprises to create value efficiently and offer attractive prices without losing profitability.

Analysis and result

The analysis of modern research demonstrates that the concept of price competitiveness has undergone substantial transformation in recent decades. Traditional approaches focused mainly on production costs, labor expenses, and economies of scale as the principal determinants of competitive pricing. Contemporary studies, however, show that price competitiveness increasingly depends on innovation capacity, digital transformation, productivity growth, and institutional conditions.

One of the most significant findings in modern research is the strong relationship between productivity and price competitiveness. Enterprises with higher productivity are able to reduce production costs and optimize the use of resources, which enables them to offer more competitive prices while preserving profitability. According to OECD studies, productivity growth is one of the key drivers of sustainable competitiveness in global markets [4]. This means that enterprises no longer compete only through cheaper inputs, but through more efficient production systems and technological modernization.

The analysis also indicates that innovation plays a dual role in price competitiveness. On the one hand, investment in research and development increases short-term costs. On the other hand, technological innovation leads to automation, improved logistics, reduced transaction costs, and more efficient resource allocation in the long term [2]. As a result, innovative enterprises gain the ability to lower production costs and react more flexibly to market changes. This creates a sustainable competitive advantage compared with firms relying only on traditional cost-cutting methods.

Another important result concerns the impact of digitalization on pricing strategies. Modern enterprises increasingly use artificial intelligence, big data analytics, and algorithmic pricing systems. These technologies allow firms to analyze consumer behavior, monitor competitors' prices, and adjust pricing policies in real time. Research shows that digital tools significantly increase market responsiveness and improve pricing efficiency [5]. Consequently, price competitiveness becomes dynamic rather than static, as firms continuously adapt prices according to market demand and supply conditions.

At the same time, the analysis reveals that digitalization creates new institutional and regulatory challenges. Large digital platforms may accumulate significant market power, reducing the level of competition in certain sectors. Some studies warn that algorithmic pricing systems can potentially facilitate implicit coordination of prices between firms [6]. Therefore, modern research emphasizes the growing importance of antitrust regulation and institutional oversight in maintaining fair price competition.

Another major result is the increasing role of intangible assets in competitive pricing. Modern enterprises compete not only through physical production capacity but also through intellectual property, brand reputation, technological know-how, and organizational efficiency. This finding reflects the transition from an industrial economy to a knowledge-based economy. Enterprises investing in human capital and digital capabilities are more likely to achieve long-term price competitiveness.

The analysis further demonstrates that globalization has intensified competitive pressure on enterprises. International trade integration exposes firms to foreign competitors with different cost structures and technological advantages. As a result, enterprises are forced to improve efficiency, innovate continuously, and optimize pricing strategies to survive in global markets. Research by the World Bank confirms that openness to trade and competition stimulates innovation and productivity growth, which ultimately strengthens price competitiveness [7].

Table 1.

Modern Research on the Price Competitiveness of Enterprises

Indicator	Statistical Data	Source / Period	Impact on Price Competitiveness
Growth of labor productivity in OECD countries	0.4% growth	OECD, 2024	Low productivity growth increases pressure on enterprises to improve efficiency and reduce costs
Effect of R&D expenditure on productivity	+1% R&D investment → about +0.13% productivity growth	OECD research	Innovation reduces production costs in the long term
Effect of foreign technologies on productivity	+1% technology diffusion → about +0.44% productivity growth	OECD studies	Technology transfer strengthens competitive pricing advantages
Share of digitalized enterprises worldwide	More than 70% of firms use digital tools	International digital economy reports, 2024	Digitalization improves pricing flexibility and cost management
Global e-commerce sales	Over $6 trillion	Global market statistics, 2024	Increases price transparency and competition between firms
Share of intangible assets in company value	Around 80–90% in large global firms	World Bank / OECD estimates	Knowledge and innovation become major competitive factors
Average reduction in operational costs after automation	20–30% reduction	Industry 4.0 studies	Automation improves price competitiveness through efficiency
SMEs using AI-based pricing tools	Around 35–40%	Digital transformation reports, 2024	Real-time pricing improves market responsiveness
Competition-enhancing reforms impact	Long-term productivity increase	OECD	Stronger competition stimulates innovation and efficient pricing

The statistics show that productivity growth in OECD countries remains relatively low at around 0.4% in 2024. This indicates that enterprises face growing pressure to optimize costs and improve efficiency. Enterprises with higher productivity can reduce production costs, maintain profitability, offer lower and more competitive prices. Thus, productivity has become one of the main determinants of modern price competitiveness. Research demonstrates that a 1% increase in R&D investment increases productivity by approximately 0.13%. This means that innovation creates long-term efficiency gains, enterprises investing in technology gain sustainable price advantages. Although innovation may increase short-term costs, the long-term effect is lower unit costs and improved competitiveness. Statistics show that foreign technology diffusion has an even stronger effect on productivity growth (+0.44%). This suggests access to global technologies is essential, enterprises integrated into international markets become more price competitive. Technology transfer therefore acts as a catalyst for enterprise modernization. More than 70% of enterprises globally use digital technologies in management and operations. Digitalization allows firms to monitor competitors' prices, analyze consumer demand, apply dynamic and algorithmic pricing. As a result, price competition becomes more flexible and data-driven. Global e-commerce sales exceeded $6 trillion in 2024. This has several consequences consumers can instantly compare prices, firms face stronger competitive pressure, market transparency increases significantly. Therefore, enterprises must continuously optimize pricing strategies to

remain competitive. Modern studies show that 80–90% of the value of large companies consists of intangible assets such as intellectual property, software, data, brand reputation. This indicates that price competitiveness increasingly depends on knowledge and innovation, enterprises compete through technological capability rather than only cheap production factors.

The statistical analysis confirms that modern price competitiveness is shaped by several interconnected factors:

productivity growth,
innovation and R&D,
digital transformation,
automation,
technology transfer,
market competition.

The data show that enterprises relying only on traditional cost reduction strategies are less competitive than firms investing in technology, digitalization, and innovation. Modern price competitiveness is increasingly based on efficiency, flexibility, and knowledge-driven production systems rather than on cheap labor or raw materials alone.

Overall, the results of the analysis show that modern price competitiveness is a multidimensional phenomenon. It is determined not only by low production costs but also by productivity, innovation, digitalization, institutional quality, and strategic management. Enterprises that successfully integrate technological innovation, efficient resource management, and adaptive pricing mechanisms achieve stronger and more sustainable market positions.

Conclusions

The analysis of modern research demonstrates that the concept of price competitiveness has significantly evolved under the influence of globalization, technological progress, and digital transformation. Contemporary studies no longer interpret price competitiveness solely as the ability of enterprises to reduce production costs and offer lower prices. Instead, modern approaches define it as a multidimensional economic category closely connected with innovation, productivity, digitalization, and strategic management.

The research confirms that productivity growth remains one of the most important determinants of sustainable price competitiveness. Enterprises with higher productivity levels are able to optimize the use of resources, reduce operational costs, and maintain competitive prices while preserving profitability. In this context, technological modernization and efficient management systems become critical sources of competitive advantage.

Another important conclusion is that innovation plays a central role in strengthening enterprise competitiveness. Investments in research and development, automation, and digital technologies may increase short-term expenses, but they generate substantial long-term benefits through cost reduction, efficiency improvement, and greater market flexibility. As a result, innovative enterprises are more capable of adapting to dynamic market conditions and maintaining stable competitive positions.

The study also shows that digital transformation fundamentally changes pricing mechanisms. The use of artificial intelligence, big data analytics, and algorithmic pricing enables enterprises to respond quickly to changes in demand, competitor behavior, and market trends. Consequently, price competition becomes more dynamic, flexible, and data-oriented. However, digitalization simultaneously creates new challenges related to market concentration, algorithmic coordination, and the growing dominance of large digital platforms.

Modern research further emphasizes the increasing significance of intangible assets such as intellectual property, technological knowledge, software, and human capital. In knowledge-based economies, these factors become more important than traditional production resources in determining long-term price competitiveness.

Finally, the analysis demonstrates that institutional quality and market competition are essential conditions for effective price competitiveness. Transparent regulation,

strong antitrust policies, support for innovation, and open competitive markets create an environment in which enterprises can compete fairly and efficiently.

In conclusion, modern price competitiveness is determined by the interaction of innovation, productivity, digital technologies, institutional support, and strategic adaptability. Enterprises that successfully integrate these factors achieve stronger market positions, higher efficiency, and greater long-term sustainability in an increasingly competitive global economy.

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