

## HYPERCOMPETITIVE RELATIONS AND THE NECESSITY OF BENCHMARKING IN DOMESTIC ENTERPRISES

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### ABSTRACT

The modern business environment is characterized by intense changes, market globalization, and pronounced hypercompetitive relations that require companies to continuously adapt to market conditions. In such circumstances, competitive advantage becomes short-term, while innovation, efficiency, and the ability to respond quickly represent key factors for the survival and development of enterprises. The aim of this paper is to analyze the importance of benchmarking as a modern strategic tool for improving the competitiveness of domestic enterprises. Special emphasis is placed on the possibilities of applying benchmarking in conditions of hypercompetition, as well as its contribution to the improvement of business processes, product and service quality, cost reduction, and increased business efficiency. The paper highlights the importance of monitoring market leaders and implementing modern business practices in order to strengthen the market position of domestic enterprises.

Key words: hypercompetition, benchmarking, competitive advantage, domestic enterprises, business efficiency

### INTRODUCTION

Modern business conditions are characterized by dynamic market changes, rapid technological development, globalization, and increasingly intense competition among enterprises. In such a business environment, traditional sources of competitive advantage are no longer sufficient for maintaining a long-term market position. Companies face constant competitive pressure, changing consumer demands, and the need for continuous improvement of business processes. Consequently, contemporary economic theory and practice increasingly focus on hypercompetitive relationships, which are characterized by rapid changes, short-lived competitive advantages, and a constant need for innovation.

Hypercompetition refers to a market environment in which competitors continuously strive to improve their products, services, and business strategies in order to achieve a stronger market position. Under such conditions, enterprises must respond quickly to changes and adapt their operations to modern trends. A particular challenge is faced by domestic enterprises, which, in addition to competition in the domestic market, are increasingly exposed to pressure from foreign companies and global market leaders.

One of the most important instruments for business improvement in conditions of hypercompetition is benchmarking. Benchmarking is the process of comparing an organization's operations with the best practices of competing or leading companies in order to improve efficiency, quality, and competitiveness. The application of benchmarking enables enterprises to identify weaknesses in their operations, adopt successful business models, and continuously enhance their performance.

The aim of this paper is to analyze the importance of benchmarking in conditions of hypercompetitive relationships, with particular emphasis on domestic enterprises and the possibilities for improving their competitive position in the contemporary market.

## **HYPERCOMPETITIVE RELATIONSHIPS IN MODERN BUSINESS**

The modern business environment is characterized by rapid technological change, market globalization, business digitalization, and intense market competition. These conditions have led to the development of hypercompetitive relationships, which are characterized by market instability, frequent changes, and the short-lived nature of competitive advantages. Today, enterprises are compelled to continuously improve their operations in order to survive and maintain a competitive market position (Lindskov, 2021).

The concept of hypercompetition was first elaborated in detail by Richard D'Aveni, who argued that modern markets are characterized by constant change and aggressive competitive rivalry. According to D'Aveni (1994), competitive advantage is no longer a permanent category but rather a temporary advantage that competitors can quickly neutralize through new innovations and business strategies. Although his work was published several decades ago, it remains a fundamental framework for understanding contemporary hypercompetitive relationships.

Recent studies indicate that hypercompetition involves increased market dynamism, accelerated technological development, and a growing need for organizational flexibility. Lindskov, Sund, and Dreyer (2021) emphasize that in a hypercompetitive environment, competitive advantages change rapidly, requiring organizations to continuously invest in innovation, new product development, and the improvement of business processes. Furthermore, business digitalization intensifies competition by enabling faster information flows and easier access to global markets (Schilke et al., 2021).

A hypercompetitive market is also characterized by intensive competitive actions among enterprises. Organizations seek to achieve a stronger market position through innovation, product differentiation, cost reduction, and quality improvement. Under such conditions, the importance of strategic management and the ability to adapt quickly to environmental changes become particularly significant. Chen, Michel, and Lin (2021) emphasize that contemporary companies must simultaneously develop internal resources and monitor external competitive developments in order to maintain their competitiveness.

Hypercompetition poses a particular challenge for domestic enterprises operating in developing markets. In addition to domestic competitors, they face pressure from large international companies with substantial financial and technological resources. Therefore, domestic enterprises must continuously monitor contemporary market trends, improve business processes, and apply modern management tools in order to enhance their competitiveness.

## **BENCHMARKING AS A STRATEGIC TOOL**

In the contemporary business environment, organizations face constant changes in market conditions, increasing customer demands, and intense competition. In order to survive and achieve a competitive advantage, enterprises must continuously improve their operations and adapt to modern trends. One of the most important strategic tools that enables the enhancement of business performance is benchmarking. Its application allows organizations to analyze and compare their operations with those of more successful enterprises in order to identify best practices and improve their own performance.

Benchmarking is a continuous process of comparing products, services, and business processes with organizations that achieve the best results in a particular field of business activity (Camp, 1989). Although Camp's work was published several decades ago, it remains one of the most important theoretical foundations for understanding the concept of benchmarking and is frequently cited in contemporary literature. The primary purpose of benchmarking is to improve business efficiency through the identification of successful business models and their adapted implementation within an organization.

Contemporary research indicates that benchmarking plays a significant role in strategic management and the enhancement of enterprise competitiveness. According to Alderman and Murray (2025), benchmarking provides a structured and systematic approach for comparing products, services, and processes with recognized best practices. By identifying performance gaps and transferring knowledge from leading organizations, benchmarking supports organizational learning, informed decision-making, and continuous improvement.

The professional literature distinguishes several types of benchmarking, including internal, competitive, functional, and generic benchmarking. Internal benchmarking involves comparing business processes within the same organization, while competitive benchmarking focuses on comparisons with direct market competitors. Functional and generic benchmarking enable organizations to analyze the business practices of successful companies from different industries and apply selected solutions within their own operations (Dahlgaard et al., 2008).

Local scholars emphasize that benchmarking is an important instrument of modern management because it enables organizations to continuously improve business processes and adapt more effectively to market changes. According to Janićijević and Milikić (Janićijević & Milikić, 2022), the successful implementation of benchmarking contributes to organizational learning, increased innovation, and the strengthening of an enterprise's competitive position. Benchmarking is particularly important in conditions of hypercompetition, where organizations must respond rapidly to market changes and continuously improve their operations.

The development of information technologies and business digitalization has further increased the importance of benchmarking in contemporary organizations. Modern digital tools enable faster data collection and analysis, more effective monitoring of competitors, and easier identification of best business practices. Consequently, benchmarking has become one of the key strategic instruments for enhancing competitiveness and supporting the long-term development of enterprises. Figure 1 presents a diagram of the benchmarking process.

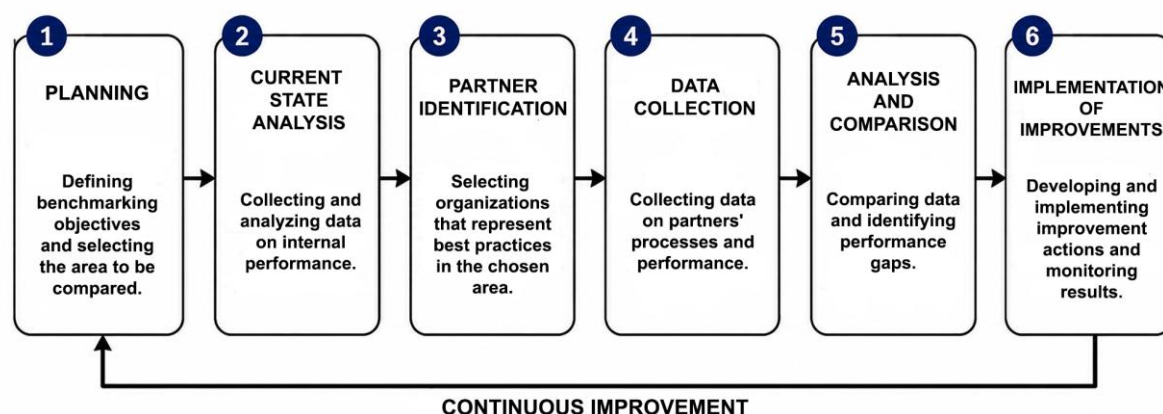


Figure 1: Diagram of the Benchmarking Process (Dahlgaard et al., 2008)

## THE IMPORTANCE OF BENCHMARKING IN DOMESTIC ENTERPRISES

In contemporary business conditions, domestic enterprises face numerous challenges arising from market globalization, the development of new technologies, and intense competition. In order to survive and improve their market position, enterprises must continuously monitor changes in the business environment and apply modern management methods. One of the most significant instruments for business improvement is benchmarking, which enables organizations to compare their business processes, products, and strategies with the best practices of competing or leading companies (Anand & Kodali, 2008).

Benchmarking is a systematic process of identifying, analyzing, and implementing successful business practices with the aim of improving the efficiency and competitiveness of an enterprise. Its application enables organizations to recognize performance gaps, improve business processes, and support continuous improvement initiatives (Anand & Kodali, 2008; Horváthová et al., 2021). Under conditions of hypercompetition, benchmarking gains particular importance, as enterprises must respond rapidly to market changes and continuously improve their performance (D'Aveni, 1994; Lindskov, 2021).

Domestic enterprises often face challenges related to insufficient technological development, limited financial resources, and slower adaptation to contemporary market trends. In addition, competition from foreign companies further increases the pressure on domestic organizations to improve their operations and enhance efficiency. Under such conditions, benchmarking can serve as a valuable tool for identifying successful business models and implementing innovative solutions in business practice.

Contemporary research indicates that the application of benchmarking has a positive impact on organizational performance and enterprise competitiveness. According to Horváthová et al. (2021), organizations that systematically apply benchmarking are better able to identify performance gaps, adopt best practices, and improve overall organizational performance. Furthermore, benchmarking supports continuous improvement and organizational learning, strengthening the ability of organizations to adapt to changes in the business environment.

The particular importance of benchmarking lies in the opportunity to compare business operations with market leaders and adopt contemporary business practices. Through the application of benchmarking, domestic enterprises can improve decision-making processes, develop more innovative products and services, and increase their competitiveness in both domestic and international markets. In conditions of intense market competition, benchmarking becomes not only an instrument for business improvement but also an important factor for the long-term survival and development of enterprises.

## **CONCLUSION**

The contemporary business environment is characterized by intensive changes, rapid technological development, and pronounced hypercompetitive conditions that significantly affect enterprise operations. Under such circumstances, traditional sources of competitive advantage are becoming increasingly unsustainable, while the ability to adapt quickly to change, innovate, and continuously improve business operations has become a key determinant of success. Enterprises are compelled to continuously monitor market trends and develop strategies that enable them to maintain and strengthen their competitive position.

This paper has highlighted the importance of benchmarking as one of the key strategic tools in conditions of hypercompetition. The application of benchmarking enables organizations to compare their operations with the best practices of competing and leading companies, identify deficiencies, and improve business performance. In this way, enterprises can increase operational efficiency, improve the quality of products and services, reduce costs, and achieve greater market competitiveness.

Benchmarking is of particular importance for domestic enterprises facing strong competition from foreign companies and the challenges of the contemporary marketplace. Insufficient technological development, limited resources, and slower adaptation to change represent significant obstacles to enhancing the competitiveness of domestic organizations. For this reason, the application of modern management tools, such as benchmarking, has become essential for business improvement and the long-term survival of enterprises.

It can be concluded that benchmarking today represents not only an instrument for comparing business performance but also an important factor in the strategic development and adaptation of organizations to contemporary market conditions. Enterprises that continuously invest in improving business

processes, fostering innovation, and monitoring best practices have significantly greater opportunities to maintain competitive advantage and achieve success in a hypercompetitive environment.

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