

UDC 339

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**CATEGORICAL BASIS OF GLOBAL MARKETS:
FORMATION AND FUNCTIONING****КАТЕГОРІАЛЬНИЙ БАЗИС ГЛОБАЛЬНИХ РИНКІВ:
ФОРМУВАННЯ ТА ФУНКЦІОНУВАННЯ**

The paper examines the categorical basis of global markets and examines the formation and functioning of global markets. In the conditions of economic reform, markets need to change the conditions and principles of functioning, due to the fact that old markets are oversaturated and new ones need to be sought. This leads to the transition of international markets to global ones. Due to the rapid development of economic aspects in the modern world, globalization plays an important role. It reconstructs a large number of economic spheres for itself. Thanks to global processes, the transformation and transition of the international system into the global one, in this case, the transformation of the international market into the global market, takes place. The globalization of markets has been impressive in recent years. The work examines the stages of the evolution of globalization; the theoretical background of the global market is disclosed; a system of formation and functioning of the global market has been formed.

Key words: digitization, transformation, digital economy, globalization, digital model, intellectual capital, inclusiveness.

В роботі розглядається категоріальний базис глобальних ринків та досліджено формування та функціонування глобальних ринків. В умовах економічної реформи, ринкам необхідно змінювати умови та принципи функціонування, через те, що старі ринки перенасичуються і потрібно шукати нові. Цим їм зумовлюється перехід міжнародних ринків на глобальні. Через швидкий розвиток економічних аспектів в сучасному світі, глобалізація відіграє важливу роль. Вона перекоструює під себе велику кількість економічних сфер. Завдяки глобальним процесам і відбуваються трансформація та перехід міжнародної системи у глобальну, в даному випадку, трансформація міжнародного ринку у глобальний ринок. Глобалізація ринків за останні роки зазначала вражаючих масштабів. Багатонаціональний комерційний світ наближається до трансформації у глобальні та транснаціональні корпорації. Глобалізація робить бізнес у глобальному масштабі можливим, а розмір глобального ринку робить його привабливим. Глобальний ринковий виокремлюються надзвичайною різноманітністю своїх підсистем, окремих елементів та суб'єктів. Його можна розглядати як сукупність національних ринків окремих країн, що пов'язані між собою міжнародними економічними відносинами. Глобальні ринки є домінуючими структурами сучасної світової, тобто глобальної економічної системи. Варто зазначити, що для країн, які прагнуть якнайшвидшої інтеграції у світовий господарський комплекс, вкрай необхідним є вивчення та аналіз особливостей розвитку світового ринку в сучасних умовах, тобто в умовах глобалізації. В роботі розглянуто й систематизовано етапи еволюції глобалізації як результат переходу від внутрішньої до планетарної господарської системи; розкрито теоретичне підґрунтя глобального ринку; сформовано систему формування та функціонування глобального ринку: від створення до розширення, за допомогою цього виділені основні елементи кожного етапу глобального ринку. Мета дослідження полягає у визначенні етапів еволюції глобального ринку та визначенні понятійного апарату з урахуванням його системи формування та функціонування.

Ключові слова: діджиталізація, трансформація, цифрова економіка, глобалізація, цифрова модель, інтелектуальний капітал, інклюзивність.

Formulation of the problem. Many companies have become disillusioned with international sales, as old markets become saturated and new ones need to be sought. Well-managed companies have moved from an emphasis on product personalization to offering globally standardized products that are advanced, functional, reliable, and inexpensive. Only global companies will achieve long-term success by focusing on demand. A powerful force is driving the world toward a convergent community, and that force is technology. The emergence of global markets for standardized consumer goods on a previously unforeseeable scale is a new commercial reality. Corporations focused on this new reality benefit from enormous economies of scale in manufacturing, distribution, marketing and management. By translating these advantages into lower world prices, they can destroy competitors who still live in the contemptuous grip of old ideas about how the world works. The globalization of markets has been impressive in recent years. The multinational commercial world is approaching transformation into global and transnational corporations. A multinational corporation operates in several countries and adjusts its products and practices in each one at high relative costs.

Analysis of recent research and publications. The paper considered the works of such scientists as: Biletska L., Savych V., Biletskyi O. [1], Zavydivska O. I. [2], Oshurkova T. H. [3], which revealed global markets, international trade and market theories. Also, in order to achieve the goal of the study, the authors studied the works of scientists: Grimsley S. [7], Hanson G. [8], Roca C. [9], which revealed the theoretical essence of global markets, revealed the role, importance and advantages of the global market and global trade.

The analysis of the sources allowed the authors to verify that there are currently no additions that would explore the stages of the evolution of global markets.

Formulation of the goals of the article. A global corporation operates with resolute constancy. Globalization makes doing business on a global scale possible, and the size of the global market makes it attractive. By using their absolute and comparative advantages, countries and companies can use their resources to produce and trade what benefits them the most. The purpose of the study is to determine the stages of the evolution of the global market and to define the conceptual apparatus taking into account its system of formation and functioning.

Presentation of the main research material. Today, the global economy and its dominant functional component – the global market (global markets) – constitute one of the most complex organic systems of our time, the adequate theoretical reflection of which is universal, positive economic knowledge about world economic evolution, that is, the evolution and transformation of the world economy and the world market into the global economy and the global market, which are distinguished by the extraordinary diversity of their subsystems, individual elements and subjects. It can be considered as a set of national markets of individual countries connected by international economic relations. Global markets are the dominant structures of the modern world, that is, the global economic system. The global market is a commodity production phenomenon that has outgrown national borders. Globalization of the market as a result of the transition from the global to the planetary economic system is systematized in Figure 1.

As can be seen from Figure 1, the evolution of the market from domestic to global went through 5 stages. The internal market was formed gradually from the twelfth century. The national market was created as a result of the national economy in the 16th century. The world market was formed at the end of the 13th century. as a result of increased trade between countries. The formation of the world market began in the XV–XVII centuries and ended in the XIX–XX centuries.

The global market (global markets), as well as the global economy, at the beginning of the 21st century. already represent integral (and not fragmentary, as at the beginning of the 20th century), diversified, multi-level hierarchical systems, encompassing a set of international forms of science, technology and production, circulation of various goods and services, capital and labor.

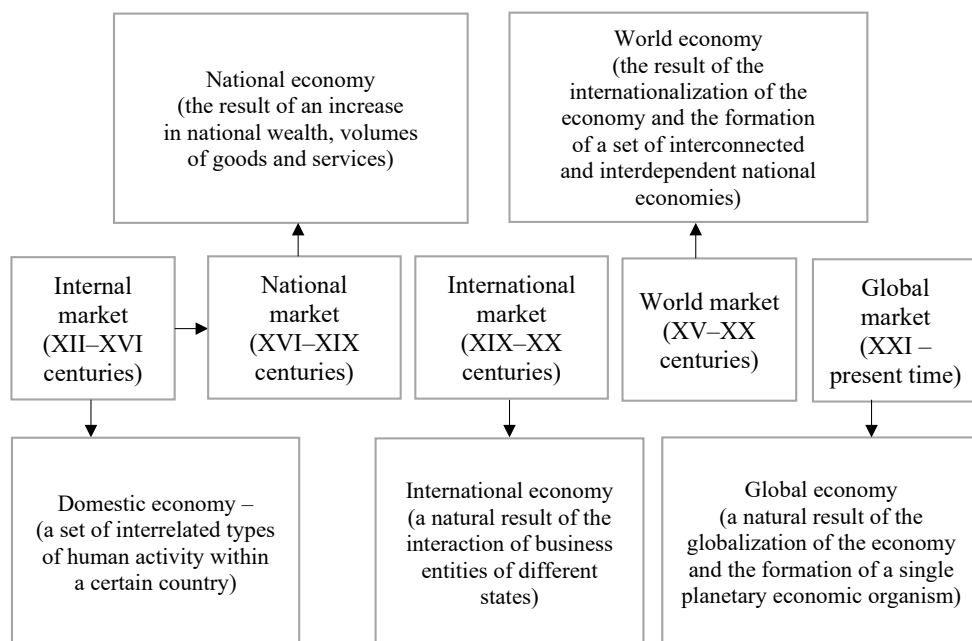


Figure 1. Stages of the evolution of market globalization as a result of the transition from the domestic to the planetary economic system

Source: systematized by the author

For a more detailed understanding of the research topic, the author considers it necessary to reveal the categorical apparatus of the concept of "global market" (Table 1)

As can be seen from Table 1, today there are many different definitions of "global market", which indicates theoretical confusion. That is why, in the opinion of the author, it is considered appropriate to provide one's own definition of the global market. The global market is a system of trade and economic relations between countries with the aim of exchanging economic benefits and increasing the efficiency of production, supply of investments and consumer goods. The proposed definition more fully reveals the content of the global market by taking into account its purpose.

Stage 1: Creation of the domestic market. The domestic market is often an appropriate place to test products and fine-tune performance before tackling the complexities of international trade. It can also give a good performance indicator. However, in some cases this stage of the export process serves no purpose at all. This may apply, for example, to a Canadian software development company that has developed a product specifically for a foreign market. Since international market development requires resources of time and money on the part of the exporter, it is important to ensure that a solid foundation is established in the domestic market on which to base future export market expansion activities in order for international operations to be successful. not endanger the company's core business.

Stage 2: Research and export planning. When companies start trading abroad, they often target a country similar to their own. For example, countries that are similar in language, financial structures, legal and economic systems or culture. For example, Canadians entering the international market usually look to the US market first. Before entering an unfamiliar market, companies must prepare well. By analyzing how successful the proposed product or service can be in the potential market, the exporter can narrow down the target markets to three or four. A well thought out marketing plan can give a potential exporter the

Table 1

Modern definitions of the concept of "global market"

Source	Definition
Claudia Roca [9]	Global market – the system that allows commercial, financial and labor exchange between different countries without any type of restriction.
Gregory Hanson [8]	A global market is an exchange for goods or services that spans national boundaries to encompass the entire world or nearly the entire world. The term may be used to refer to the sum total of all of the market activity that takes place in the world. It may also refer to the market in a specific commodity product or currency, as in "the global market in oil".
Shawn Grimsley [7]	Global market is an integrated market for global trade where buyers and sellers 'meet' from all over the globe to trade with little barriers to trading. Of course, a pure global market doesn't exist yet, but globalization is bringing it closer to a reality.
Cambridge Business English Dictionary [11]	Global market is all the people in all areas of the world who buy or might want to buy something.
Longman Business Dictionary [12]	Global market – the activity of buying or selling goods and services in all the countries of the world, or the value of the goods and services sold.
Browse dictionary [10]	Global market refers the worldwide economic market place in which business operates today, buying and selling both finished products and labor, material, and energy resources.
Biletska L., Savych V., Biletskyi O. [1]	The global market is a system of international commodity-monetary relations associated with the exchange of results and factors of production. The global market contributes to increasing the efficiency of production, national economies, is a source of supply of investment, raw and fuel goods, and consumer goods.
Zavidivska O.I. [2]	The global market is a method or mechanism of exchange of economic benefits between individual national economies and their associations, which conditions the emergence and reproduction of economic relations between them.
Oshurkova T.G. [3]	Global market – it is a system for the exchange of goods and services at the international level. It consists of the national markets of individual states, which are interconnected by relations of a trade and economic nature.
Margarita Yaroshenko [13]	The global market is the sphere of stable commodity and money relations between countries, the basis of which is the international division of labor and other factors of production.

confidence to export. Such a focused effort is better than the common and expensive mistake of "chasing orders around the world." Another benefit of doing proper international market research and planning is that by creating a written document, it is easier to identify potential problems and weaknesses. This enables exporters to anticipate potential challenges before investing the time and money needed to successfully develop their export market.

Stage 3: Initial export sales. When implementing an export plan, it is advisable to start modestly with market testing. A differentiated strategy allows a novice exporter to gain practical market experience without incurring unnecessary or unmanageable risk. The development of markets in stages allows the exporter to monitor his progress and make any necessary changes on the way to export success. At this stage, the exporter should use initial shipments to familiarize themselves with the mechanics of exporting. These mechanisms include documentation, distribution channels, transportation and fees, and knowledge of regulations that may affect the business. The exporter must also know the target customer

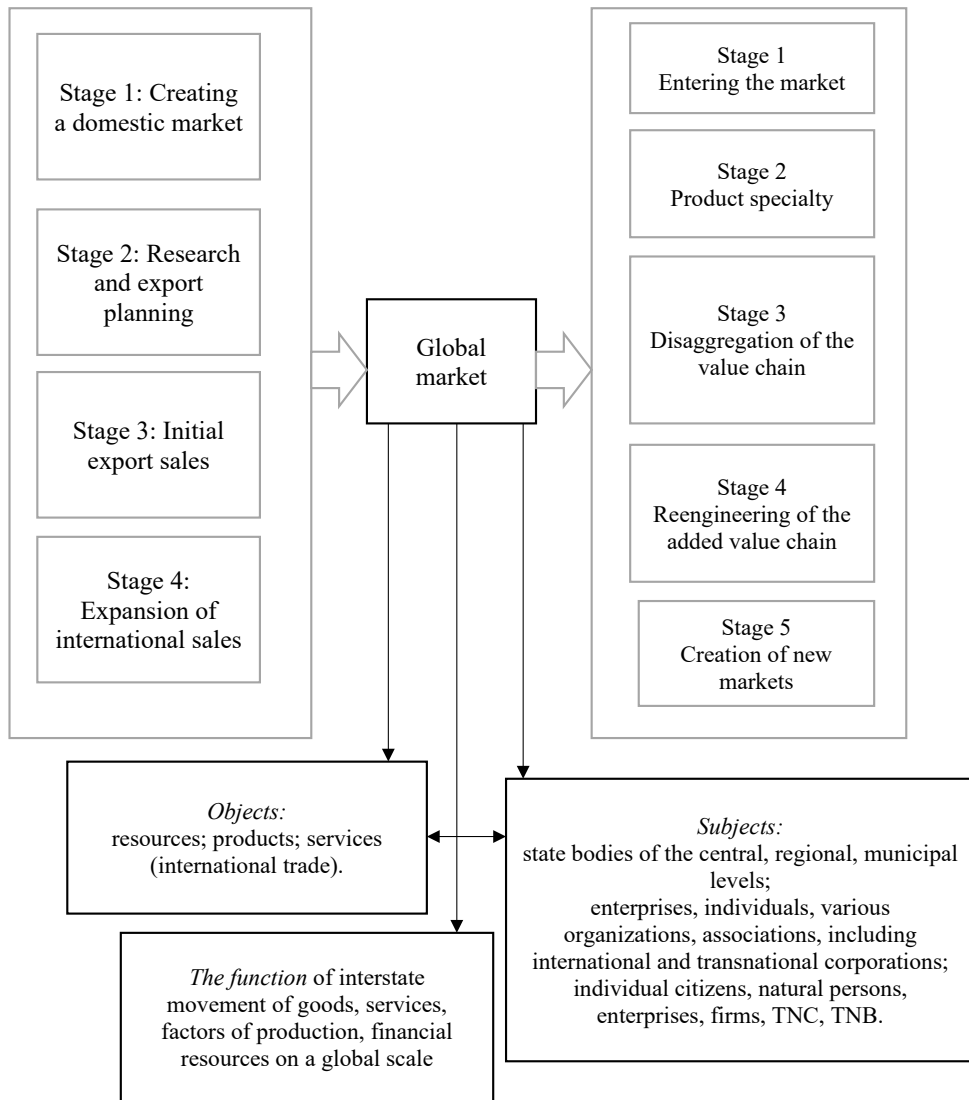


Figure 2. The system of formation and functioning of the global market: from creation to expansion

Source: systematized by the author

group to determine what product modifications may be needed. This is also the stage where the original plan needs to be revised.

Stage 4: Expansion of international sales. If initial sales were good, larger orders and expansion should be planned. This stage is usually accompanied by increased market research, more aggressive participation in international exhibitions and other marketing events, and a greater emphasis on strengthening networks and contacts in the target market. A firm can start negotiations with potential local partners to strengthen its market position in mutually beneficial business relationships. When exporters reach this stage, they learn a lot about the export market. This will help them make adjustments to their strategy as they

continue to strengthen their position in the market. Stage 5: Investments abroad. If sales are brisk, profits are encouraging, and opportunities are promising, the company may decide to expand its presence in the target market. It can, for example, open a local office, build relationships with local partners, buy an existing local company, create a joint venture, or invest in research and production facilities. A target market can serve as a stepping stone to adjacent markets and become the focus of a larger trading strategy. This last step carries additional implications and responsibilities beyond those of a company based elsewhere simply operating remotely in a foreign market. New challenges arise as a company's footprint expands as it adopts a permanent physical presence in the market.

In the first stage (market entry), companies typically enter new countries using business models very similar to those they use in their domestic markets. However, in order to gain access to local customers, they often need to establish a manufacturing presence, either because of the nature of their business (as in service industries such as food retailing or banking) or because of local country legal restrictions (as in the automotive industry).

In the second stage (product specialization), companies transfer the entire production process of a particular product to one place with low costs and export goods to different consumer markets. In this scenario, different locations start to specialize in different products or components and trade in finished products.

The third stage (disaggregation of the value chain) represents the next step in the globalization of the company's supply chain infrastructure. At this stage, companies begin to disaggregate the production process and concentrate each activity in the most profitable place. Individual components of one product may be manufactured in several different locations and assembled into final products elsewhere. Examples include the PC industry market and companies' decisions to offshore some of their business processes and information technology services.

In the fourth stage (value chain reengineering), companies seek to further increase cost savings by reengineering their processes to suit local market conditions, in particular by replacing capital with cheaper labor. The medical equipment division of General Electric (GE), for example, adapted its manufacturing processes overseas to take advantage of low labor costs. Not only does it use more labor-intensive manufacturing processes, but it also designs and manufactures capital equipment for its factories on-site.

Finally, in the fifth stage (creating new markets), the emphasis is on market expansion. The McKinsey Global Institute estimates that the third and fourth phases together have the potential to reduce costs by more than 50% in many industries, giving companies the opportunity to significantly lower sticker prices in both old and new markets and increase demand. Importantly, the value of new revenues generated in this last phase often exceeds the cost of savings in other phases.

It should be noted that the five stages described above do not define a rigid sequence followed by all industries. As the McKinsey study points out, companies can skip or combine steps. For example, in consumer electronics, product specialization and value chain disaggregation (second and third stages) occurred together as different locations began to specialize in the production of different components (Taiwanese manufacturers focused on semiconductors, while Chinese companies focused on computer keyboards and other components).

In the conditions of deepening and expansion of global economic ties, commodity markets are losing national and territorial boundaries, turning into global commodity markets, where merchants of all countries come to participate. Large groups of raw materials, food products, machinery and equipment, other finished products, as well as markets for construction, tourism and other services, currency, credit, freight, etc. stand out among the multitude of commodity markets. Market activity is regulated by international commodity agreements. Each commodity market has its own trade centers, the so-called "main markets", the prices of which are recognized as basic in the trade of the corresponding goods. There are special types of markets: commodity exchanges, auctions, trades, international exhibitions and fairs. The current state of the world market is primarily characterized by the fact that, on the one hand, the

specific weight of traditional commercial trade is decreasing, on the other hand, the volume of exchange of technologies serving stable industrial and technical relations is increasing.

Conclusions. This study examined and systematized the stages of the evolution of globalization as a result of the transition from an internal to a planetary economic system; the theoretical background of the global market is disclosed; a system of formation and functioning of the global market was formed: from creation to expansion. The work revealed 5 main stages of the evolution of market globalization: domestic market, national market, international market, world market, global market. It should be added that the author agreed on the main stages of the system of formation and functioning of the global market. These main stages were investigated in the work and the main information about these elements was revealed. The author defined a conceptual apparatus taking into account the system of formation and functioning of the global market. The global market represents a higher stage of development and transformation of the market global economy. We can conclude that the global market is a commodity production phenomenon that has outgrown national borders. In the author's opinion, the direction of further research should be the disclosure of the characteristics of global markets and the construction of their mechanisms.

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