Market and Competitive Determinants of Strategy in the Process of Strategic Analysis – Toward Comprehensive and Integrated Approach

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Abstract
Key methodological problems, involving the process of analysis and selection strategies, now include: 1) high variability (dynamics) of a macro and microeconomic environment, 2) excess information and the ability to make its proper selection, 3) a large (and growing) number of tools of strategic analysis (including the analysis of markets, industries, competitors and strategic resources), as well as difficulties in selecting the most efficient methods and analysis tools in regard to the nature of the identified problem, 4) a lack of proposals to better integrate the results of various analyses (difficulties in comparing outputs coming from different studies, different methods, different models), 5) a transition of the analyses results regarding the instruments implementing the strategy. The indicated problems concern the crucial areas of the analysis of macro and micro environment, the competitive environment and the market, the company and its resources. The key problem seems to be here as well a lack of comprehensive analysis tools and strategic resources (the rules and criteria for the assessment of resource potential). Although the strategic management (as part of the discipline) has developed a relatively complex method of market and competitors analysis (an assessment of the scale and dynamics of demand, segmentation strategy, customer needs, business life-cycle, M.E. Porter model of industry analysis) these analyses are most often carried out independently and miss methodological proposals on how to connect (and confront) the two main areas of analysis. The aim of the article is to assess the possibilities of conducting a comprehensive analysis of the market and industry in the process of strategic analysis, and to establish general rules for the selection of analysis tools, as well as an assessment of the possibility (or necessity) to connect the results of analyses that come from different areas and models of strategic analysis processes. The considerations in the article are formed on the basis of methodological concepts and are not based on or verified in direct empirical studies (e.g. the use of analysis tools in practice), but rather on the study of literature and the methodology of business analysis (including its mainstream principles, methods and tools). The article at hand is a contribution to further discussions on new trends in light of the development of tools and methods of strategic analysis. It includes an assessment of the possibilities of better utilisation of the already known and widely used methods and tools of business environment analysis.

Key words: strategic analysis, business analysis, market, industry, core competencies.

JEL classification: O43, O32, O33.

1. Introduction

The key methodological problems of the process of analysis and selection of strategies are high variability of macro and microeconomic environments [Krupski 2005; Lowel 2010], as well as excess information and its variability. The company's dynamic environment highlights the importance of innovation and strategy flexibility. A certain answer to these challenges is the growing number of analysis tools [Rigby 2013; Rigby, Bilodeau 2013, 2015], but as a result it is increasingly more difficult to choose the most suitable analysis tools. The general rules of business analysis have also become more complicated and unclear. The question is how to choose the proper tools and how to conduct the analysis process in accordance with the nature of the strategic problem. Another response to the manifestation of more complex and dynamic company's environment appears to be an increasing number of integrated tools, mostly parametric ones, but their application also brings forth methodological limitations of identifying basic causal relationships between different areas of analysis (or factors), especially: a) between macro and micro environments, b) between market and industry dimensions, c) between resources and (market and industry) strategy tools. In most cases, the parametric approach does not allow to recognise even basic causal relationships, let alone those that are more complex (in which certain resources make the tools of a particular competitive strategy strong). This means that it requires both an integrated and analytic (not parametric or synthetic) approach in order to analyse more complex problems and mechanisms [De Leo 1994; Pierscionek 2011].

The aim of this article is to assess the possibilities of conducting comprehensive analyses of the market and competition in the process of strategic analysis. It also serves the purpose of determining general rules for the selection of analysis tools, an assessment of the possibility (or rather necessity) to connect the results of analyses that come from different models of strategic analysis processes. The analysis in the article is a methodological concept not based on direct empirical studies (e.g. the use of analysis tools in practice), but bases on the analysis of literature and the methodology of business analysis (principles of the analysis, fields of the analysis, methods and tools used to run the process of analysis). In fact, the use of integrated approach is nothing new in the field of strategy research, but is not yet implemented enough in the methodology of business analysis.

The methodological concept for business analysis presented in this article is essentially simple: we do not need an excessive amount of tools for conducting business strategy analyses, nor do they need to be overly complicated. We merely need to emphasise a more complex, comprehensive and analytic approach directed towards recognising important mechanisms [Blaszczyk 2016a]. We also need to focus (much more than in the past) on evolutionary processes of: markets, industries and strategic resources. In the field of market and competitive strategy, this means: 1) as complex analyses as possible (including market and industry, among others); 2) a better understanding of the market and competitive landscape, in the process of analysis (as a complex and integrated approach). The underlying goal of the article is to provoke a discussion on new trends in the development of tools and methods of strategic analysis, as well as an assessment of the possibilities of better utilisation of the already known and widely used methods and tools of business environment analysis [Fleisher, Bensoussan 2007].

2. Fields and methods of strategic analysis – towards integrated approach

A large and increasing number of strategic analysis tools can cause serious difficulties in the proper selection of methods and analysis tools in accordance with the nature of the strategic problem (its identification and solution). It can also bring forth difficulty in understanding how to connect outputs generated from different analysis methods. At this point one can see three problems: 1) perceiving when the business analysis is complex and comprehensive, 2) how to conduct a research in terms of its sequence, 3) how to connect outputs coming from different fields of research. The question on fields and methods which makes analysis complex and comprehensive appears to be important for at least two reasons. The first is that the strategy should be crafted for certain and specific conditions (fully recognizing the context of strategy), and the second confirms that the strategy content should be a complex response for the given and predicted conditions [Blaszczyk 2016, pp. 78, 85].

There are many general and dedicated concepts of strategic analysis, including: 1) portfolio analysis (including related issues, for example market attractiveness comparisons); 2) industry and competitors analysis (including its macroeconomic environment inputs), 3) resources analysis (including related aspects, such as strategy identification and evaluation, competitive profile and competitive advantage analysis) [Porter 1980, 1985; Hill, Johnes 1992; Thompson, Strickland 1999]. Different types of analysis can also be utilised by the use of different approaches, for example synthetic (parametric, usually weighted) or analytic (more cause-related) methods [Pierscionek 2011], using more or less integrated approaches [Gierszewska, Romanowska 2016] (e.g.: SWOT, portfolio-matrix, business canvas model), dedicated or comparative-oriented. More integrated or comparative-oriented approaches are usually (but not always) implemented by the parametric approach in order to make comparisons between as many different fields of analysis as possible (e.g.: portfolio matrix). However, they do not usually recognise the importance of case-relationships (how the macroeconomic environment determines the specific market and industry landscape and shapes its evolution, how market and competitive conditions interact with one another, which certain resources have the most significant contribution to customer value).

Assuming that strategy content is complex, a strategy is a comprehensive and integrated response to its context (widely recognised, well-defined conditions in which a company exists). The strategy's content can be efficiently defined in many different ways (strategy directions and scopes of strategy, products delivered, markets supported, methods of achieving and sustaining competitive advantage, competitors and partners relationships, developing of resources and their commercialisation, etc.) [Thompson, Strickland 1999; Ireland, Hoskisson, Hitt 2013]. What makes the analysis complex and comprehensive?

Although there are many different ways of classifying strategic analysis methods, there are two of particular significance: 1) based on strategy context (fields of strategic analysis) [Porter 1980; Lisinski 2004; Jurek-Stepien 2007; Gierszerwska, Romanowska 2016], 2) based on strategy content (the levels of strategy and different methods of strategy evaluation and formulation) [Hill, Johnes 1992; Thompson, Strickland 1999; Pierscionek]. Both are oriented towards strategy context and strategy content evaluation, but the goals of analysis, its scope, approaches and the methods proposed (and finally criteria for strategy selection taken into account) seem to be very different in methodology.

The strategy context-oriented approach allows one to classify the analysis tools by the fields of strategy analysis, such as: the external and internal environment, macro- and microeconomic environment, market and industry, the company and its resources (and external resources) analysis (including mission, goals, strategy tools and strategic resources that make the delivery of customer value possible) [Strategor 1995; Grant 2015]. By using this type of method and tool classification, we can also point out the integrated analysis tools, as the SWOT model, business portfolio matrix analysis methods, or business canvas model [Osterwalder, Pigneur 2010], which can combine various parameters or different analysis outputs into one integrated model. The strategy context-oriented approach appears to be the leading model for method and tool classification and can also be used as leading a model for most types of single businesses (industry and market – competitive and marketing strategies). The sequence of the analysis usually comes from the external to internal perspective (from macro and micro environment to the company, its strategy and strategic resources), by the I/O Model [Ireland, Hoskisson, Hitt 2013, p.15]. The methodological problem that appears in this approach is that many companies are diversified and/or internationally oriented in their growth strategies, which means that there are different conditions (external, internal, macro, micro etc.) for strategy formulation in various business fields. This in turn makes any comparative analysis (of strategy or its conditions) difficult or even impossible to accomplish. An analysis showing various conditions and different possibilities is of more importance, than a reasonable combination of different subjects of analysis (different markets, sectors and even strategic segments) into one integrated process of strategy analysis.

The most often discussed approach has been proven to work when the strategic analysis is complex and comprehensive, but does not describe in most concepts how to connect and integrate different analysis outputs, as well as how to approach the basic problem of complexity of the subject/subjects of analysis. The empirical results in many cases of analysis are similar: common competitive and market conditions (even Key Success Factors) for quite different business fields. These processes of business analysis also cause either a more market-based, or a more industry-oriented strategy (which is not integrated enough).

The strategy content-based approach for methodological analysis gives additional opportunity to understand that process formulations differ on various strategy levels. This is especially visible at corporate and competitive strategy levels (there are different: goals, subject aggregation, scope of analysis and finally tools - despite many similarities and common rules). The main goal for corporate strategy is to define the sources and priorities of the growth, directions for business development, the scope of specialisation or diversification strategies (including many strategy dimensions as products, markets and strategic resources), while the business strategy is more focused on market and industry competitiveness. The goals for corporate strategy formulation also make strategic analysis processes different, especially in regards to its scope and methods for business analysis, as well as strategy formulation. The process is usually much more oriented towards various markets and industries comparisons, so that the analysis enables the identification of alternative choices and helps in defining common (and comparable) criteria for strategy selection. This is usually made possible by the use of parametric methods (such as portfolios and industry/market attractiveness research and comparisons). The corporate strategy should also be more oriented towards the evaluation of strategic resources [Hamel, Prahalad 1990, 1999], which resources should be developed (and in what way), which resources should be acquired or created through M&A's or strategic alliances [Doz, Hamel 1998] (or other cooperative forms, for example open innovation), effectively commercialised or reduced.

A subject of significant importance is that the suggested sequence of strategic analysis may also differ between various authors in the strategy context-oriented and content-oriented approach. The portfolio analyses are classified, as a method of analysis of the competitive or strategic position of the company (by the context-oriented classification) [Gierszewska, Romanowska 2017, p.9], when the sequence of strategy analysis usually goes from the outside to the inside. This makes this particular type of analysis more precise in the whole sequence of business analysis, after micro and macro environment analysis. In the strategy content-oriented approach, the corporate level strategy defines the goals and priorities, so that portfolio analyses are the starting point for strategic analysis, and enables the evaluation and comparison of various options and strategic choices. The general conditions for strategy implementation (market attractiveness, business life cycle, etc.) and understanding corporate priorities, the expectations for strategy growth and its possibilities are much more clear, so the next step is the business analysis (competitive strategy evaluation) of this approach. Striving toward competitive strategy evaluation, formulation and implementation, without being one step ahead of the corporate strategy analyses (usually comparative ones) is seemingly unreasonable, if the company can achieve much more in other areas of business.

Understanding the depth of the context-based and content-based approach to the classification of business analysis methods provides the basis of general rules for strategic analysis sequence: diversified and international companies, as well as corporations should first be analysed on the basis of their strategy level (for corporate level strategy evaluation, verification and redefinition) and next, by their strategy context (for closer market, industry and strategic resources view for single business level competitive strategies analysis), while the smaller, more specialised companies can be analysed just by the strategy context approach for their growth and business strategy evaluation. Both approaches also indicate when the strategic analysis is complex: when strategic analysis provides the basis for growth strategy (priorities, sources of the growth, growth directions, and scope of the business) and the competitive strategy as well. Despite many similarities within the general rules of strategy building, the scope of the analysis, the criteria for decision making process and (in the consequence) the level of integration of two basic perspectives: market and competitive are also different in the process of corporate level and the business level strategy formulation.

Going forward, the analysis process can be also oriented to classic "strategic fit", "industry-based" or "resource-based" perspectives [e.g. Thompson, Strickland 1999; De Wit, Meyer

1998], or in different terms, can be much more "external" or "internal" oriented. Strategy orientation does not mean that the analysis process is limited to a particular perspective, but rather that the strategy choice and strategy content can be much more oriented towards a certain view (for example, the field of specialisation, directions of diversification, types of related diversification and sources of synergy). The approach can also determine the sequence of the analysis process (from the inside to the outside or from the outside to the inside) [Ireland, Hoskisson, Hitt 2013, p.15,17]. From the strategic analysis process perspective, orientation should not affect the scope of the analysis fields, but rather the sequence, priorities and determinants of a chosen strategy. Although this can be seen as a kind of paradox of opposite perspectives priorities, it is not possible to evaluate the importance of the strategic resources (resource-based perspective) without a market and competitive evaluation of its power and potential (impact on customer value and resource substitution possibility, among other criteria) [Blaszczyk 2016a] as well as the market and competitive position (and the competitive advantage and its sources) in the industry, they cannot be comprehensively evaluated without a resource analysis.

Another important aspect of the methodology of strategic analysis is the "resource-based" perspective of the company, which is not (and never should be) synonymous to "internal" perspective, since the competitive advantage can be equally based on internal and external resources, or even mostly based on external resources, e.g. on the intelligent enterprise concept [Quinn 1990, 1993]. The resource analysis should deliver the knowledge to the core-competence strategy and value chain business model in both of the perspectives (external and internal). When identifying and analysing the core competencies (in different perspectives: present and future, internal and external, industrial and diversified), the criteria for resource evaluation and development and acquisition methods are the separate issues of strategic management and strategic analysis methodology, and the outputs of this analysis should also be connected to the market and competitive determinants of strategy. As is the goal of the article, the further considerations strictly concern the market and competitive perspective of strategy, in two basic types of strategic analysis (corporate level and business level strategy).

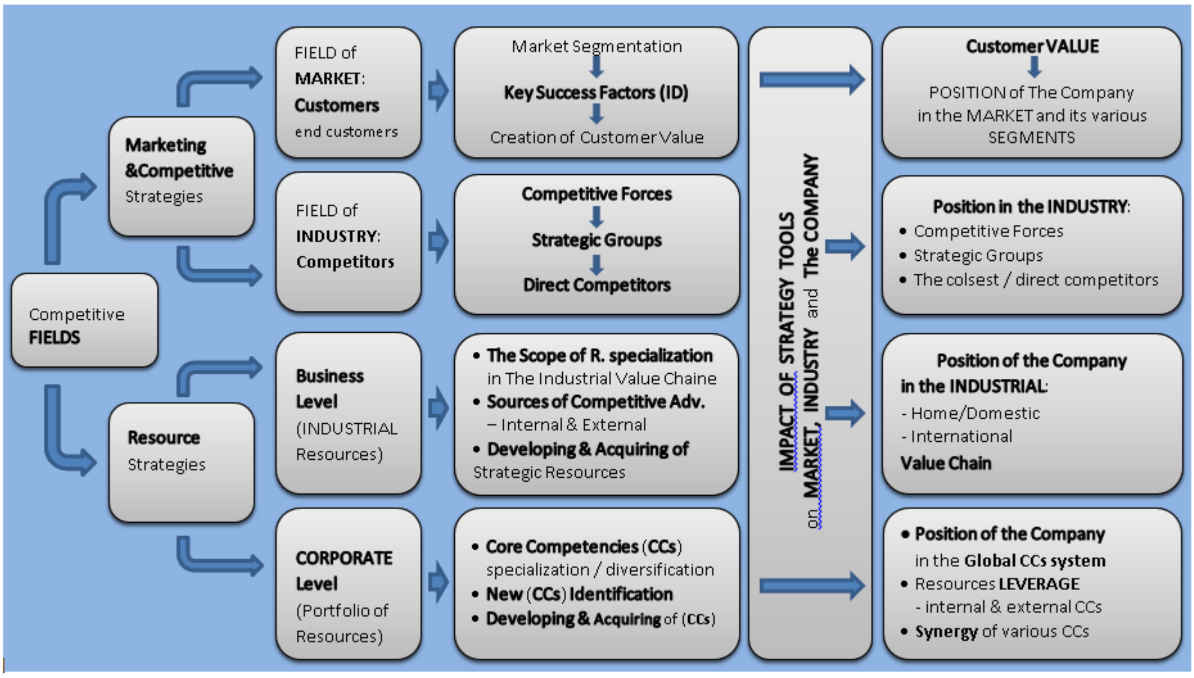

Figure 2.1. Competitive FIELDS, Competitive STRATEGY and Strategy CONTEXT – Mechanizms of Competitive Advantage
Source: Blaszczyk M. *Strategiczne pola konkurowania a strategie konkurencji*, in: (ed.) M. Poniatowska-Jaksch, *Strategiczne pola konkurowania*, SGH, Warsaw 2016, p.78 http://administracja.sgh.waw.pl/pl/OW/publikacje/Documents/Strategiczne_pola_Poniatowska.pdf (click for free download full publication)

3. Market and competitive perspective in strategic analysis process

Even if the macroeconomic conditions and the resources (considered in macro and micro perspective) determine business and competitive processes (usually in long term), the market and competitive analysis helps to better define conditions for strategy design and evaluation, and are the basis of business analysis in most methodological concepts (business life cycle, competitive forces, strategic groups, market segmentation, key success factors, etc.).

The market and competitive perspectives of the strategy are also combined into one microenvironment perspective, in many concepts and by many authors [Porter 1980, p.4; Strategor 1995, pp.25-45; Lisinski 2004, pp.121-160; Gierszewska, Romanowska 2017, pp.23, 75-120]. Combining these two various (different and strongly interacting) dimensions of strategy context without separate analyses (and comparisons) carries the risk that the strategic analysis is not comprehensive, or that both fields of analysis do not have an equal influence on strategy in the strategy building process.

Even though each perspective and its determinants can have a stronger impact on strategy in certain cases, they generally provide a different kind of knowledge on the company's micro environment. Market environment describes and defines the demand, its indicators and determinants, while the competitive perspective describes competitive landscape and determinants of competitive processes in certain company's environment. Although the market-based analysis should describe the market size, the market growth (dynamics), as well as the market structure (and its dynamics) as descriptively as possible, the competitive-based analysis should focus on competitive processes, forces, structure and dynamics. The key problem in the methodology of the strategic analysis seems to be the subject of analysis, especially in the field of the market and competitive structure (as well as its dynamics) research. The main tools of corporate level strategy analysis are the portfolio matrix (e.g. the BCG portfolio model, the McKinsey/market attractiveness matrix, ADL or the Hoffer matrix) and related methods of strategic analysis in this field (e.g. market attractiveness, the life cycle of the business, parametric measures of the competitive strength of the company or its business units) [e.g. Hill, Johnes 1992; De Witt, Meyer 1998; Thompson, Strickland 1999]. For the resources evaluation (on both corporate and business levels) we can additionally use the value chain [Porter 1985] and core competencies concept [Hamel, Prahalad 1990; 1999]. In the classic BCG and ADL/Hoffer matrix concepts, some market conditions are the subject of direct analysis (market size and its dynamics), but the competitive perspective is not analysed directly. One can only state that the competitive determinants are strongly connected to the business life cycle and market potential just by making an assumption (the more market potential, the stronger the impact of competitive forces and their potential). The McKinsey matrix is the only classic portfolio which gives the opportunity to combine direct analysis of market and competitive factors by means of business attractiveness evaluation. Market attractiveness evaluation methods, according to their definition, serve the purpose of identifying and confronting (among others) the market potential and intensity of competition. Market potential and industry competitive forces determine the business profitability [Porter 1980] and growth opportunity, so the criteria of attractiveness evaluation based on these two strongly interacting fields of strategy context seem to be essential in this type of analysis. The parametric tools of analysis used in portfolio matrix have certain limitations, because they do not explain the relationship between the factors of the analysis, even between strongly interacting ones (e.g. the business life cycle concept does this much more efficiently). The McKinsey matrix is also very versatile and can be a very complex method of business attractiveness and portfolio analysis, but the quality and value of such an analysis is based on criteria selected to analysis implementation, and the subject of analysis is of great importance (market and business segmentation).

The criteria selected for market and competitive environment analysis in business attractiveness evaluation are mostly based on: 1) market size and potential, 2) the intensity of competition, 3) profitability, 4) resources, requirements and entry barriers, 5) synergy with others company businesses and units, 6) the degree of risk, 7) other social, political and regulatory factors [e.g. Thompson, Strickland 1999, p. 249]. A factor of great importance is that the market potential does not rely only on the market's size and growth, as described in main stream of methodology, but rather on market structure and opportunities in order to make the market structure dynamic. Such opportunities may result from companies' competitiveness and innovations (other variable of matrix portfolio analysis), but are also an important characteristic of the industry. There are no equal opportunities of differentiating products and creating new competitive landscapes between various markets and industries, and these opportunities can equally result from the nature of market and industry environment [Kim, Mauborgne 2005], as well as company (and other companies) competitiveness and innovativeness [Hamel, Prahalad, 1990; 1999].

The market structure and opportunity to grow dynamically vary between industries which depend on many factors, e.g.: a) level of standardisation and homogeneity of products and services (by nature of customer needs, product or technology), b) products or services differentiation (by the maturity of the business and business strategies implemented in various companies), c) products, services and strategic resources substitution, d) innovation and technology (or other business processes) intensity. The market structure can be better described by market segmentation (using various criteria based on customer type, customer needs, product features and attributes, technology or other business processes as sources of product differentiation), usually successfully implemented in business level analysis. Marketing approaches usually put more focus on segmentation and customer needs that differ in various segments, than on market (and its structure) dynamics and competitive forces(opposite to “industry-based” and the “strategic portfolio” approach). They determine growth opportunities. Selected, specific features of market structure can be an important component of business attractiveness evaluation, especially in maturing and matured industries with strong competitive environments, in which companies are looking for new sources of strategic growth and differentiation (escaping from direct competitive confrontation in the process of products/services competition and substitution) in both portfolio and single business analysis. The market structure analysis can also be a starting point in selecting new directions of market-related diversification strategy as a source of growth and market synergy.

The issue of market structure is widely implemented in portfolio analysis in subjective scope of analysis (various products and markets evaluation and comparison), but is not implemented as a set of evaluation criteria of business attractiveness (or even market potential) analysis. The structure of most markets and industries varies, which gives growth potential and more competitive possibilities even in matured industries (or is the only source of market growth inmature industries). On the other hand, the firm competitiveness and innovativeness of evaluation methodology should also take into account the company's capability of developing products and services (and other strategy tools), as well as using the opportunities (to adopt or to create the new competitive landscape).

Single business analyses are different than portfolio analyses, even though they have many common rules and features. The goal of analysis is to better recognise macro and micro environments, their components and structures, which are specific to the single field of business activity and determine the competitive strategy for a single business unit or a single company. The market and competitive conditions are not compared between various business fields, but analysed for single business competitive strategies. The specific nature of the business can be better described through a structural and cause-relationship analysis, which means there is a need of an analytic, rather than parametric approach.

The competitive strategy can be determined by many strategy inputs, the industry structure

[Porter 1980], the nature of market and customer needs [Kotler 2012], the market innovations [Kim, Mauborgne 2005], the resources and its innovative potential [Hamel, Prahalad 1990; 1999]. By making strategic analysis not just single field oriented, but more complex, more comprehensive and integrated, there is a need to create a cause-relationship independent analysis in major fields (market, industry and strategic resources) first. The market and the industry are the closer company's environment, which determines the opportunities and threats, and they define various ways to achieve and sustain the competitive advantage seen from an external perspective.

The macroeconomic environment seems to be little more distant from a company and its impact on strategy is often evaluated indirectly (through market and industry evolution processes). Macroenvironment can shape important or even essential tendencies in micro perspective, but strategic analysis of macro environment seems to not always be sufficiently connected to market and industry. To make the analysis more integrated in these particular fields, we need to know more about how the macro environment shapes the evolution of markets, industries and strategic resources (in a more general sense), as well as how macro environment shape the closer industry's and market's processes - their structure and dynamics. Having clear goals of macro environment analysis, its implementation (of analysis tools as PEST, Quest, scenario analysis) and outputs can lead to a better connection to a later micro environment analysis (inputs and outputs).

By theory of the Resource-Based View of the firm (RBV), adopting a resource-based perspective changes the priorities of the strategy-making process. This in turn should change the sequence of the strategic analysis, although this is not as simple in practice.

The process of analysing strategic resources (e.g. identifying capabilities, distinctive competencies or core-competencies) is usually presented as "going from the inside out". As a matter of fact, core-competencies identification processes require an evaluation of the impact of resources (its various components and structure) on customer value (its market and competitive impact) and possibilities of resources substitution (the other dimension of competitive impact), so analysing strategic resources does require market-based and competitive-based criteria of core-competencies evaluation. This means that the starting point of strategic resource analysis (core competences identification and evaluation) is not only based on internal or even external resources, but should be strongly connected to the analysis of market and competition. The process of strategic analysis, when approached by a resource-based perspective, has entirely different goals, as the cause-relationship are identified by different sequences which change the process and order of the strategic analysis. The process of analysis should take into account present and future core-competencies, as well as internal and external ones. Connecting the analysis of strategic resources to market and competitive contexts of strategy makes the process of analysis more comprehensive, more integrated and cause-relationship identification oriented.

When introducing micro environment analysis, M.E. Porter suggests [1980] that the competitive strategy is primarily determined by industry structure. The process of business analysis is focused on competitive environment in the industry-based approach, and is usually considered to be complex from that particular perspective [Strategor 1992; Gierszewska, Romanowska 2017] even if some authors suggest any analysis extensions, e.g. six [Grant 2015] or seven [Fleisher, Bensoussan 2007] competitive forces. Porter's competitive forces and mapping of strategic groups have become the standard and canon of business analysis [ACCA 2010].

A very important feature of the analysis set forth by proposed methodology is that no industry has clear borders, as they are constantly changing (in a more or less dynamic pace) in practice. To identify important (weak) signals and challenges, M.E. Porter suggests a three-step analysis of the industry, "from general to specific": 1) by broadly defining the industry (the analysis of the whole industry), 2) by narrowly defining the industry (the analysis of the inside structure of the industry), 3) by defining and analysing the closest competitors. The concept creates the opportunity for complex analysis of industry and competitors (direct and indirect competitors, in present and in potential perspective), but is not complex in the wider perspective of the micro environment – which should consist of both, market and competitive analysis. The author also considers how competitive strategies vary in different types of industries (in the context of business life cycle), but it cannot be said that this it is a complex analysis of demand, its structure and dynamics (as well as a complex analysis of factors that shape these regularities). The concept also does not allow one to compare market and competitive conditions of strategy design.

In order to answer the question of how one can analyse the industry and market environment more efficiently, and how the market and competitive determinants of strategy can be connected, one can still use the basis (basic rules) of M.E. Porter's structural analysis of industry, while completing it with market potential, market dynamics and structure in comparable levels of analysis. We cannot assess the industry's attractiveness (and if we can see any threats or opportunities) just by analysing competitive forces, if we do not analyse the business life cycle or compare the general outputs of the two basic pillars of industry attractiveness. According to Porter, industries differ from one another and have varied internal structures. The market structure, the demand and its conditions are also different, so it seems reasonable to compare the internal structure of the industry to related structures in the market. The strategic analysis of market segmentation can provide important knowledge on the segments' dynamics , which of them can be the market source of company growth, and how competitive structure and intensity differ in various segments of the market (not in general). It can also help in determining through which segments the most significant growth can be achieved, where we can see opportunities of competitive forces getaways, which criteria of market segmentation allow a more efficient recognizing of present market structure, and which criteria can provide changes to the market structure in the future (as a source of innovation). The strategic groups in industry structure analysis, proposed by M.E. Porter, correspond to certain market segments, but the market and industry structures are not same. Criteria for market and industry segmentation can be based on common features in the field of customer value (and competitive strategy tools aimed towards this certain strategy field – value to customer) but can also differ. Strategic groups can also be aggregated by other criteria of selection, not by being directly connected to customer value, e.g. vertical integration, outsourcing or other value chain business models. The market structure, its segments, dynamics, and competitive tools based on customer value are of much greater value, with connection to analysis of strategic groups. Despite many common features, the analysis of market and industry structures is complementary, and one will likely get the most accurate results by comparing and confronting these two different fields of strategy context at similar levels (of subject aggregation).

The third step of a structural analysis of the industry has features that are similar to the second one. Despite the processes of competition and substitution, the differential internal structure of the industry allows one to successfully compete and create many companies, which do not mutually compete. The strongest competition is usually between direct competitors (carrying the same product, the same customer needs, a similar competitive strategy, equally strong processes of substitution), so a comparative analysis of the closest competitors seems to be a natural and obvious component of business analysis (even if using only intuition, not methodology). M. E. Porter suggests "the competitor response profile" as the last step of industry analysis, in order to anticipate the competitive moves of direct competitors. At the same time, the analysis of Key Success Factors (KSF) [e.g. Thompson, Strickland 1999, p. 97] has become recognised as the most useful and simple. The KSF analysis in its simplicity allows one to identify the competitive strategy, strategy profile and basic sources of success to study new sources of competitive advantage, and new sources of customer value (new success factors) [Kim, Melbeurne…]. It also provides the opportunity for strategic benchmarking.

There are various goals and methods in which an analysis of market success factors can be conducted, but the most important theme of the paper is that criteria of success factors can be based on complex competitive analysis, including competitive indicators, competitive determinants (market and industry) and strategic resources, or that the criteria of success factors can be based just on pure customer value evaluation. The complexity of this criteria can be seen as an advantage, but can also provide unclear conclusions on strategic success in terms of cause-relationship analyses. Bringing clarity to a strategic analysis in this field, the market, industry and strategic resources (as well as macroeconomic inputs and outputs) should rather be analysed separately (first), and confronted (next), e.g.: how macroeconomics shapes industry, the market and importance of strategic resources, or how strategic resources shape competitiveness and which of them have the biggest impact on customer value. This means that it is unnecessary to combine the complex and comprehensive analysis into one integrated model, but the proper choice of different complementary tools of strategic analysis (and adequate confrontation and integration of different outputs of different tools of analysis) is essential. Models that are too complex and overly integrated (that can be successfully used in different types of analysis) make the analysis unclear and create a difficulty in understanding cause-relationship, as the process of achieving and sustaining competitive advantage is very complex in its nature. Focusing on customer value in key (market) success factor analyses can also connect the two most important fields of business analysis – market and competition. On the one hand, defining market success factors requires the market structure and market segmentation analysis (as the success factors are different in various segments). On the other hand, an evaluation of the competitive advantage of the company and its competitors is required (in certain fields of industry and/or market). The market success factor analysis is also a step in the direction of analysing strategic resources (identifying company strategy, competitive advantage on the market in certain segments, and competitive advantage in the industry and its respective fields). So finally, market success factor analysis allows one to connect and confront market and competitive determinants of strategy, and to create starting point to core competences identification and evaluation, in the last step of business analysis.

The cited considerations do not provide evidence that more integrated tools of strategic analysis are necessary or convenient, but in-depth analysis can certainly be made by utilising standard tools for market and industry analysis. The important issues of business analysis, which make it more understandable and transparent are: identifying the sources of growth and competitiveness, in-depth structural analysis and more focus on subjectivity of analysis (structure and various methods of its aggregation). In exceeding the mentioned goals of the paper, other issues of strategic analysis include: more focus on resources, its competitive impact, identifying core competencies and various (internal and external) sources of innovation (which can change the business life cycle, business and competitive processes, industry and market structure).

The important issue of business analysis is the competitive strategy content. The competitive strategy can be defined as a combined set of goals and methods of achieving competitive advantage, but very often this set of goals and methods is seen in terms limited to the market and industry (the resources are seen as a result of market and industry competitive strategy making processes). In fact, the competitive strategy should define [Porter 1980, 1985; Kaleta 1999; Pierscionek 2011, Blaszczyk 2016a]: 1) the field of business activities (product, market, resource – specialization), 2) the sources of competitive advantages in the market (sources of differentiation or cost leadership, other sources of customer value), 3) strategy tools in the field of industry and its structure (the market position and horizontal and vertical relationships), 4) resource strategy (the value chain perspective in the industry and the corporate core-competencies perspective), 5) methods of creating and/or acquiring strategic resources. In reference to previous considerations, analysing the market and industry determinants of strategy is strongly linked to the first, the second and the third dimension of competitive strategy. As previously mentioned, it is related to the resource strategy as well, because it is not possible to evaluate it (even by the RBV perspective) without complex analysis of its impact on the company's position in the market and in the industry.

Conclusions

The strategy can be defined, in terms of its formulating process, as a company response for a given (present and anticipated) conditions, in which company exist. The strategy is complex, comprehensive and integrated when strategy context is well recognized (described and explained), and the process of strategy formulation is comprehensive and continuous. Strategy context is never fully recognized in practice, but we can say, the strategic analysis is complex, when concern (and allow to connect and confront different fields of strategy context): 1) macro and micro environment, 2) market (size, dynamics and structure) and competitive (processes, structure and its dynamics) context, 3) strategic resources (internal and external ones), its changing importance over time and optimal structure – required to achieve and sustain competitive advantage.

In general, we need to focus in the strategic analysis process much more on: a) evolutionary processes identification and explanation (evolution of markets, industries and strategic resources and its determinant); b) cause-relationship identification; c) mechanisms identification and explanation. In the field of corporate strategy, wider range of criteria of business attractiveness evaluation should be considered and defined: new criteria based on market structure and its dynamics evaluation (e.g. possibility of product/services differentiation, opportunity of new product/services development, product/market synergies). Evaluation criteria (of business attractiveness) based on market structure, define new sources of growth (even in mature industries) and sources of differentiation (in processes of market/industry competition) as well. In single business (industry and market) analysis, we need to connect and confront the market and industry structure at similar levels of strategic analysis (industry defined widely and narrowly) and focus much more on market and industry structure aggregation (in the process of market and industry analyze of its structure and dynamics). New approach to methodology of strategic analysis seems to be equally important in innovative and mature industries, in the process of identification of new sources of growth and competitive advantage.

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