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KEYWORDS

Market Competition; Regulation Policy; Market analysis Methods; Market Power; Abuse of Dominant Position; Buyer Power; Ex-ante Analysis

INTRODUCTION

The economic development of a society is closely related to the market. In essence, the market is the central element of the functioning of the economy. The continuous transformations that take place in the economy, related to the evolution of the market in the development process, present a source of emergence of competitive problems, especially for the poorly developed or developing economic areas. The diversity and complexity of changes in the market requires an understanding of them, and the establishment of effective forms and methods of regulation.

Currently, the global market is experiencing an accelerated development, driven by several scientific, social and political factors, such as political agreements to liberalize markets at the international level, the application of advanced information technologies in the market process, the use of various forms of achieving market act. The process of market globalization as well as the use of advanced forms of market activity have contributed to the intensification of competitive requirements for the economic agents' existence and sustainability on the market. The benefit of the final consumer can be pursued in this context, but on the other side of the market are a conglomeration of subjects, who, in the struggle to have more, do not always use the most loyal methods. In this context, a fierce struggle for maintaining and increasing market power among market players persists. This is not necessarily negative; on the contrary, it contributes to the dynamism of each subject of the market, which ultimately moves the market each time towards a new stage in evolution.

The problem arises in the inequality of market players, and the fact that older people tend to take advantage of the power they hold. Any subject is inherent in the desire to have market power, absorbing a competitor from the market, expanding the field of activity, etc. Therefore, the establishment of control over the factors that determine the company's activities accompanies the acquisition and consolidation of market power. To maintain market power and control the market situation, actions may be taken that restrict competition, significantly distort the actions of market forces, lead to an irrational distribution of resources and adversely affect the economic activity of all market participants and the wealth of economic development of

society. The concentration of economic power can become a threat to independent decision-making.

The actuality of the subject Market issues have been extensively analyzed by classical economists, who, starting from the manifestation of market power, have laid the foundation for what we call today's market structures, market analysis criteria, competition policies, and regulations. The problem of market analysis is of continuous topicality, due to the dynamic character of the market and its continuous evolution.

In contrast to large markets, in which geographical expansion and the high level of development make strong subjects, small and/or developing markets present the most competition problems. Several problems are related to both structure and size.

The dimensional problem lies both in the form of relationship and in the structure of the market. First, for small markets, natural monopolies are characteristic. The acceptance and facilitation of these monopolies by the state is due to the need to provide services to consumers in conditions of high costs. In terms of market relations, in small communities, they are closer, and as a result, cartel agreements, or other non-competitive agreements, are easily made.

The problem of market structure is reflected in the organizational and legal form of the entities on the market. The characteristic of small markets is the prevalence of small and medium-sized enterprises (SMEs) as forms of ownership. Respectively, the power of these companies is limited, the activity, usually being directed on the internal market. The influence on these companies, by some that have market power, is very easy to achieve, because the latter have no sales alternatives.

Another issue, related to the level of market development in the dimensional context, is **the competitive culture**. Poorly developed, or developing markets, have a low level of understanding by market subjects. Most of them do not know the rules imposed by the competition authorities in order to protect the competitive environment, until the first infringement. What is worse is that even after the first violation for some, the behavior on the market does not change.

Therefore, small markets require a more complex and correlated approach to specific market issues, in assessing competitive issues, conducting market analysis, and making decisions related to it.

The problem of market analysis in the competitive context is a persistent one, despite the multitude of market studies that have been carried out in both historical and current context. Due to the dynamic nature of the market, but also to the multitude of factors that characterize

the market subjects, the diversity of sectors, the particularities of the market, etc., it is not possible to establish unique criteria for defining the relevant market.

The most important problems facing the competition authorities are the use of generalized market analysis methods, and not adapted to the particularities of specific markets. Compared to the global market approach, small domestic markets require more attention in the analysis and relevant market. In this context, it is necessary to adapt the market valuation methods, with the modeling of analysis criteria following the particularities of the analyzed market, to obtain better results on the information about market situation.

In this regard, it is relevant and appropriate to study the evolutionary changes of competition policy and concentration processes, the methodological foundations of market analysis and competitive assessment, as well as the development of analysis methods on specific market sectors, to increase the quality of competition market assessment.

Degree of study of the topic. The object of study of the thesis was the methodology and practices of market analysis for determining the limits and the degree of concentration of market structures and the analysis of trends and processes of concentration on certain food markets.

The research field of the paper is the identification of new analysis criteria in the process of evaluating the competitive market for the food retail segment.

The aim of the paper was to contribute to the development of market analysis methods and processes of concentration on specific market segments, such as the food retail sector.

To achieve the purpose of the paper, several tasks were established and solved:

- ✚ Characterization of various conceptual approaches for understanding the essence of competition, market typology, and market concentration; Consideration of the theoretical foundations of modern principles of competition policy.

- ✚ Analysis of the international experience of applying market analysis tools in the process of competition regulation; analysis of the main stages of the development of economic theories of competition and methods of competitive regulation.

- ✚ Analysis of methodological principles for assessing the competitive environment and the level of market concentration; Study and empirical analysis of available concentration indicators from the perspective of the most complete description of the type of market structure; Evaluating the level of flexibility and accuracy of the information provided by the indicators and determining the most efficient in practical use;

✚ Study of the market size; the impact of dimensional peculiarities on the competitive behavior on the market and the market concentration; Analysis of the importance of market relations on the evaluation of the competitive market;

✚ Market evaluation in the dimensional context; Study and analysis of market concentration in the context of specific market relations; improving the market analysis methodology on the food retail segment.

The main results of the thesis are the assessment of specific market segments in the context of dimensional peculiarities, and the improvement of ex-ante analysis and monitoring methods, in a market with a high risk of competitive infringements, used to analyze market concentration on the food retail sector. The basis of the market study is the Republic of Moldova food market.

The novelty and originality of the work consist of:

✚ Synthesis and in-depth study of theoretical approaches on the analysis of competitive market concentration; arguing the importance of market analysis depending on its individuality;

✚ Development of methods for analyzing the competitive market, on the food retail segment; Using upstream market power analysis as a complementary criterion to market concentration analysis and establishing the market power of the subjects in the ex-ante and monitoring analysis.

✚ Modeling the market analysis directed on the two powers of the food retail subjects (the seller power and the buyer power); Elaboration and structuring of the methodology of ex-ante analysis and market monitoring on the food retail segment;

SYNTHESIS OF THE CHAPTERS OF THE DOCTORAL THESIS

The doctoral thesis entitled "Development of methods for analyzing competitive markets" is structured in five chapters, with theoretical, analytical, and applied content. Each chapter addressed the elements of the object and tasks proposed for research.

The general objective of Chapter I. "*Competition, theoretical aspects*" is the analysis of the origin and evolution of the concept of competition and understanding of the competitive market phenomenon. It consists of three main subchapters, as follows: "1.1. The evolution of competition theories"- which presents the evolutionary study of theories of competition, and various approaches to competition; "1.2. The evolution of competition policy and methods"-

contains the presentation of the evolution and development of competition policies and market approach, the establishment of directions and priorities for regulation and protection of competition; "1.3. The direction for the development of market regulation methods"- contains a study of the tools applied in the competitive market regulation process and their usefulness, as well as the benefits of applying complementary non-regulatory tools to establish and maintain competitive balance in the market.

Increased attention has been paid to the evolving analysis of the understanding of the importance of competition in the market mechanism and its development. Equally interesting was the aspect of competition policy and competition regulation in large economies, and their impact on the direction of market development. In economic literature, several theories define the concepts of perfect and imperfect competition. The theory of perfect competition or a perfect market is based on the work of A. Smith, D. Ricardo, A. Marshall, D. Walras, Pareto, and others. Competition theory is extensively analyzed in the studies and works of A. Cournot, Bertrand, V. Pareto L. Walras, A. Marshall, D. Ricardo, J.S. Mill, K. Marx, and other theorists of economic thought [1, 2, 3].

The analysis of scientific papers on the research of the analytical essence of competition and conceptual approaches to understanding its content allowed distinguishing two synthetic characteristics: the objectives pursued by economic agents and the nature of relations between market entities. The objectives pursued by the economic agents can be obtaining an impact on the market; satisfying needs/desires; increasing market share; obtaining a maximum profit. In addition, the character of the relations between the actors is described by the rivalry in obtaining the competitive advantages; contradictions related to the chosen strategies; competition and limiting the possibility of influencing the market, etc.

In recent years, the practice and theory of industrial market development have introduced new scientific ideas and original methodological approaches for classifying market models, based on two indicators: the number of sellers and the nature of the product [15]. Thus, pure monopoly markets were named with one or more products (first case - homogeneous products; second case - differentiated products) both with the presence of a seller; homogeneous and differentiated oligopoly markets (first case - homogeneous products; second case - differentiated products) with several sellers; and perfect and monopolistic competition (the first case - homogeneous products; the second case - differentiated products) with several actors.

Competition policy can be the basis of market policy, focused on property rights, freedom of agreement, and supported by policies to ensure monetary stability, the work of social welfare [34]. The objective of competition policy has been a controversial issue. On the one

hand, there are strong proponents of economic freedom, who see economic freedom because of competition as an end in itself. On the other hand, some consider competition policy an interventionist, part of an industrial interventionist policy that aims to establish market structures and encourage companies to adopt a behavior beneficial to economic well-being. The understanding of the need for market regulation evolves with theories based on the analysis of the behavioral impact of market actors on economic benefit, the development of the market economy.

The desire to liberalize competition in the economic environment of the market, as an echo of the theory of the invisible hand, has led to the development of policies to regulate it. The development of the first competition liberalization policies appears in the Freiburg school. Its concept is to create an economic environment based on competition that offers a high quality of supply, not one that manipulates through market power. The antitrust regulation, applied in most countries of the world and involves methods of influencing the state of the market to prevent competition, was first enacted in Canada and the United States.

The essential transformations of the market economy that have taken place in recent decades have led to a revision of the methods of analysis and regulation of the competitive space. The causes being:

- Globalization of markets, competition becomes global;
- Competition between countries occurs;
- The importance of innovation and technology that become the main competition strategies;
- The transition to the knowledge economy, focused on science and innovation;
- Consumer orientation;
- The transition from competition for market shares to competition for the creation of products important to the customer and the creation of a stable environment;
- The transformation of competition between companies to competition between business systems;
- reducing the life cycle of products;
- The disappearance of the classic monopoly models;
- developing competition focused on the name, behavior, customer loyalty, etc.;
- Implementation of marketing tools, focused on sales in networks, creation of buyer communities, etc.;

Most existing legal rules are the most similar in terms of behavioral regulation, which usually acts as a ban on actions that restrict trade, reduce competition, or abuse a dominant position. In some circumstances, many of these controls to restrict competition can contribute to economic efficiency, and competition laws are generally designed to balance the damage to competition and increase efficiency. In this regard, competition laws in the US, Germany, and the EU interpret competition restrictions by stricter standards than other legal systems, requiring stronger evidence to reduce efficiency. In other countries (UK, Sweden), the regulation of trade restrictions is less strict [35].

Competition law intervenes in transactions between corporations (usually during mergers) when these transactions weaken the independence of competing suppliers and increase their concentration in economic markets. Until the 1980s, only in Germany and the United States did state authorities actively intervene in market structures, requiring prior notification of mergers and a ban on transactions between corporations, leading to a greater focus on economic markets. In other cases, the legal systems in question have not resorted to effective control over the structure of the market, assuming that large economic entities are better able to compete in international markets. However, as the economy developed and practice showed an increasing concentration of industry, there was a trend towards more effective government control over the market structure. In the field of competition law, the fastest changes were observed in the 1980s: the EU, the United Kingdom, Spain, France, and South Korea strengthened their surveillance and control over market structures [47].

A policy on the outcome by which the state corrects the situation created as a result of the activity of monopolies or as a result of restrictions on trade by setting prices or the number of made products is, in principle, possible, but rarely applicable in market economy countries. , as such measures are considered incompatible with the prevailing belief in all legal systems considered that, the market is the best way to determine the prices and quantities of products. In improving competition laws, the US rarely uses such a policy, but it has been applied in Sweden, the United Kingdom, Germany, and France; similar measures are acceptable in Japan, Korea, and the EU [39.64, 65, 66, 67.68, 69. 70].

Competition laws are based on two different but related concepts - the concept of market power and the concept of market domination [71]. Competition policy applies either to deprive suppliers of the power to use market power or to prevent them, based on their power, from abusing their dominant position. This is because the use of market power is often incompatible with economic efficiency, and market dominance allows the supplier to create

private barriers to trade, restrict competition, threaten economic freedom, and the viability of other participants.

The practice of applying non-regulatory methods to remedy the competitive environment is constantly growing among EU authorities, but is also sustainable in small domestic markets. Moreover, these practices may be more efficient in small markets, due to the easier dissemination of information, but also the close social ties, characteristic of small territories. Because of the application of non-regulatory measures, it is possible to restore the competitive environment with several advantages. The application of non-regulatory methods involves informing and educating the competitive culture among market actors. Therefore, a voluntary correction of unfair practices obtains, with the involvement of minimal resources.

Advocacy practices are also widely used by competition authorities in both the EU and the US as an alternative tool to remedy the fair market environment. The dissemination of information among the business environment takes place through Conferences, Workshops, or other meetings with the business environment as appropriate. Their purpose is to impregnate knowledge about the benefits of a long-term loyal competitive environment, and the beneficial impact on the healthy process of economic development. Increasing the level of competitive culture contributes to the development of responsibility, so the number of infringements must be decreasing.

Chapter II. The *"Economic Valuation of the Competitive Market"* **presents an analysis of the role of the economic valuation of the market in the context of competitive regulation and valuation procedures applied in practice.** It consists of two main subchapters, as follows: "2.1. The role of the economic evaluation of the market in the process of competition regulation"- presents the importance of market analysis in the process of competition regulation; "2.2. Market assessment procedures in the practice of several countries"- presents an analysis of the competitive market assessment procedures in several countries. The very important role of market analysis is to provide information on the development or underdevelopment of competition for the analyzed market, the direction of concentration, and the factors affecting it. In the same vein, the procedures used by several countries to assess the competitive market were analyzed and compared.

Restrictions on competition under a market system impede the free movement of market mechanisms and lead to a number of negative effects, such as disproportion of supply and demand, irrational use of production capacity, and development factors, and as a result, reducing the effectiveness of the market system. Therefore, the most important issue in the

application of competition policies is the identification and justification of the methods of studying the competitive environment, approaches for analyzing the processes of economic concentration at the local or national level, to develop methods to combat anti-competitive trends. Consequently, market analysis is paramount in the process of assessing competition and the negative impact of abusive behavior.

Competitive market assessment requires specific analysis on identification of the subjects and object of market relations, for which the concept of "relevant market" has been determined. In the OECD literature [71, 74] and regulations issued by the EU Commission, the relevant market criteria are the product and geographical limits within which competition and monopoly relations are formed for a particular subject of market relations [75,76]. One of the main features of assessing the state of the market is the analysis of the competitive environment and the identification of relationships and market influences between entities with interests for the same group of consumers. The study of the competitive environment on the market must take into account the analysis of two aspects: the intensity of the competitive forces and the structure of the market or the level of concentration.

The analysis of competitive forces refers to the analysis of the competitive situation on the market; the study of strategic approaches that companies use to establish competitive advantages; and determining the nature and direction of competitive forces. The assessment of the degree of market concentration closely links to the identification of the relevant market boundaries (product and geographical boundaries). The market concentration indicator directly links to the production concentration indicator concerning the manufacturer - the initial supplier of products on the market.

Within the identified product limits of the product market and the established period, it is important to establish the structure of sellers and buyers, which depends on the number of links in the producer-final consumer chain. During the transition of goods from the sphere of production to distribution relations, the points of intersection of the economic interests of the subjects of the reproduction process change and, as a result, the geography, structure, and parameters of the market change. Product market participants can be both producers of goods or services and commercial and intermediary enterprises. Therefore, in addition to purchasing and selling, they perform a wide range of other trading and intermediation services. Wholesale and retail trade are methods of trading sale of goods that are technologically and substantially different, leading to different composition sellers and buyers, food and geographical boundaries.

Customers should be grouped according to how they buy a particular product. In this sense, each of the buyers of a group can purchase goods from any of the sellers who sell the goods on the relevant market.

After determining the product market limits and the sellers and buyers that are part of it, it is necessary to assess the geographical area of the market, which determines the territory in which it is present [57]. In addition, due to current market globalization, integration, and international trade trends, the geographic market can be expanded beyond the country. Therefore, the assessment of market opening for sellers in other regions to enter it significantly reduces market concentration, reduces the share of local producers in the market.

An important element of the analysis of market conditions is the calculation of quantitative and qualitative indicators. The quantitative indicators that characterize the structure of the product market are:

- The number of sellers operating in this product market;
- Shares held by sellers on this product market;
- Market concentration indicators.

The assessment of market power in the analysis of market conditions is essential and includes the following approaches:

- Structural analysis and determination of the dominant position of an economic entity on the product market;
- Evaluating the degree of efficiency of the commercial entity on the product market;
- Analysis of the dependence of the performance indicators of an economic entity on the performance indicators of the competitors.

The ability of a firm (a group of firms) to raise the price and maintain it at a level that exceeds the level due to competition, to impose conditions on market behavior, and to restrict market access for other entities is a manifestation of market power. In determining the dominant position on the market, the competition laws of different states most often operate on two criteria: monopolistic activity and market structure. It is important to note that, in EU practice, quantitative and qualitative indicators have been developed, which lawyers and economists in many European countries uniformly apply. Although the approach of the dominant position is similar, the criteria for determining it differ depending on the country and the legal regulations adopted.

The diversity of economic parameters that characterize the market share relates to the level of concentration of national economies, their place in the international division of labor,

the territorial limits of the market, the dynamics of market mergers, etc. They are also influenced by the diversity of methodological approaches - calculating the share of an entity on the market or the total share of several entities.

At present, in the context of global competition, international integration, and modern means of communication, the borders of the country of origin do not limit the competitive capacity of companies. As a result, companies' desire to gain a competitive advantage creates a strategy to enter new market segments, to increase their total share, and increase their concentration.

The theory of competition as an aspect of economic growth involves the active development of competition and competitive advantages, including market segmentation, product differentiation, technological differences, and economies of scale. Under these conditions, the higher the economic concentration, the stronger and more sophisticated competition between the dominant powers, which often takes the form of monopolistic actions by companies with monopoly power. From this point of view, the concentration of economic power is as a risk of distortion of competition. The creation of competitive market structures and the protection of smaller companies by competition authorities serve as a means of creating a competitive balance in the market. Under these conditions, market assessment and obtaining information on the structure and state of the market, diagnosing ongoing processes, and assessing the level of concentration have become the main objectives.

A comparative analysis of the practical procedures used by competition authorities in several countries indicates the existence of several directions in the analytical approach to market assessment for competitive purposes. Both qualitative and quantitative methods of analysis are widely used. However, a combination of statistical and questionnaire tools prevails. The differentiation of analysis practices can be associated with the degree of market development in economic terms but also with the size of the internal market.

Chapter III. *"Market analysis - theoretical and empirical approach. Development of market analysis methods"* **presents an extensive study of the existing tools used for market analysis** in determining the limits of the relevant market and assessing the concentration on it. It consists of two main subchapters, as follows: "3.1. Market analysis tools"- contains the analysis of the tools for identifying the limits of the relevant market and determining the degree of market concentration; "3.2. Evaluation of the efficiency of market analysis tools, based on the empirical study of data on the food market of the Republic of Moldova "- presents the analysis of information indicators on the degree of market concentration; determination of

capacities and their adaptability to analysis practice, to establish the measure of utility for concentration analysis on the markets of the Republic of Moldova.

The empirical study aimed to evaluate the effectiveness of market analysis tools, based on data from some segments of the food market of the Republic of Moldova. To make the use of market analysis tools more efficient, the empirical analysis of the IHH, CR3, 4, and HT instruments as a whole was performed, and the evaluation of the results and their complexity in implementation.

In the practice of antitrust law enforcement, the issue of market power of economic entities is one of the most important. The determination of the relevant market, the market share of a particular company on it, the measurement of market power, is imperative in disputes settled by competition authorities, as well as in the analysis of the legality of monopolies, mergers, and acquisitions, or other agreements restricting competition in disputes [105 106].

From a methodology point of view, it is important to assess the state of the competitive environment using an integrated systematic approach. This procedure involves analysis and evaluation of statistical information and data, expert opinions, and the results of surveys of scientific and public institutions.

A methodological approach to the study of the competitive environment contains several steps.

A broad description of the subject - the product market - **in the first stage**, the purpose of which is to form an "image" of the market characterized by a set of economic, technical, technological, and sociological parameters.

The second stage performs the analysis and evaluation of the various quantitative market indicators, as well as the calculations that determine the degree of concentration. Quantitative indicators include the number of suppliers operating in the market; market shares of suppliers; market concentration coefficient; market concentration index, etc. Depending on the shares held by the sellers, an analysis can be made of the distribution of the sellers' market shares and the uniformity of their presence on the market.

The third stage performs an analysis of the quantitative and/or qualitative measurement indicators, according to which the competition on the market is evaluated. These include:

- Barriers to entry for potential competitors, the degree of overcoming them;
- Opening the market for inter-regional and international trade.

Barriers to entry are usually any technological, administrative, or economic factors that prevent new firms from entering the market in a short period. Moreover, the concentration

cannot pose a serious threat to competition in the absence of barriers to entry into those product markets [106]. Depending on the objectives, the analysis of the competitive environment can be performed both sequentially and in separate stages, each being functional for solving the specific tasks of competitive regulation.

The identification of the product and geographical limits of the market is the basis of market analysis, being the first stage in the analysis process. This stage is of major importance, however, due to its ability to influence the result of the market assessment. The accuracy of the results obtained in the process of drawing market boundaries has a considerable impact on the results of the subsequent analysis and the conclusions on the state of the market and the determining characteristics. This influence is because the results of setting the relevant market limits serve as initial parameters for the analysis of the competitive situation on the market under analysis. Therefore, this stage of market analysis requires increased attention.

Determining product and geographic market boundaries requires a specific approach depending on the type of market analyzed. In general, to identify the limits of a market, information is provided on the coverage of a product and its substitutes. For this, analysis indicators such as the hypothetical monopolist test or the evaluation of critical losses are applied.

The SSNIP test and the Critical Loss Assessment are indicators used successfully in identifying product and geographical boundaries for production markets in various industries, as market participants and substitute products can be very clearly defined in these markets. Retail markets, especially the food retail market, require a special way of analysis, due to the complexity both as a structure and as a mechanism of action and essence. To identify the product limits in the case of the food retail market, it is necessary to create a scheme of structure and particularities of the market, and when determining the geographical extent, considering the distance of action of each commercial point. This analysis mechanism was established following the European Commission's study on the Food Retail market, including the Romanian market, with subsequent application in the market analysis methods used by the competition authority.

Statistical indicators for determining market concentration has the origins in market analyzes in Germany and the USA in the second half of the XX-th century. To this end, based on official statistics, expert surveys, and own surveys, the level of concentration for industries and constructions was calculated. Currently, the economic literature [111, 112,103, 114, 115] describes several methods of market assessment and calculation for measuring the level of concentration, through relative and absolute indicators such as Concentration Index (CR);

Gerfindahl-Hirschmann Index (HHI); Linda (L); Relative Concentration (K); Entropy (E); Variation of logarithms of companies' market shares (st2); Variations (V); Gini (G); Hall-Tideman (HT).

In the observing context of economic processes and phenomena, monitoring the behavior of large commercial entities to prevent and restrict abusive behavior, supporting local producers, the application of econometric analysis indicators is not enough. An integrated approach is needed to assess the competitive environment and market concentration analysis. The assessment of the concentration must be supplemented by information on the degree of uniformity in the distribution of production or sales of goods, as well as the size ratio between the commercial entities.

For the food retail market, structurally, the analysis of the relevant market must contain the following: the establishment of the distances of action, the dimensional structuring of the marketing points, the consideration of the target public, and the consideration of the assortment variety offered.

The development of a system of indicators capable of assessing the state, level, and direction of development of competition on product markets has become increasingly important due to the growing influence of market structure on both the behavior of companies and the decisions of regulators. In this regard, it was established the need to analyze the theoretical approaches of the study of market concentration on product markets, namely:

- Study and comparison of indicators that describe the type of market structure, determination of capacities and their adaptability to the practice of analysis, highlighting their advantages and disadvantages;
- Selection of indicators that best describe the state of the competitive environment on the product market, the examination of the results of the same indicators on markets with different concentrations;
- Summarizing the whole complex of problems associated with the study of the level of concentration on product markets.

Concentration indicators characterize the degree of uneven distribution of production or sales; goods between commercial entities; as well as the possibility that each of them may affect the general conditions of the product circulation on the relevant market.

Empirical analysis has resulted in the identification of tools that best describe the type of market structure and the assessment of the relationship between economic entities in the market, and can be used in the analytical activities of competition authorities. To analyze the

applicability of the described statistical indicators, and to achieve the purpose of the study, the analysis of market concentration was performed for different products on the food market.

As a result, the efficiency of the complex use of the analysis coefficients was determined in the study process of the food market in the Republic of Moldova, namely the application of some sets of coefficients.

The argument for the use of these indicators in sets is their mutual complementarity of the information provided about the market. The calculation methodology for the coefficients (CR-3, 4) and Gerfindahl Hirschmann (HHI) is quite simple, which makes their wide and widespread application in the practice of competition authorities. At the same time, the problem of the practical application of the HHI for medium or low concentration markets is associated with limited opportunities to search for and identify all market entities, which also affects the accuracy of the described results, while CR is insensitive to various market share distribution options. In the scientific and methodological literature, only the CR-3 and HHI calculation methodology is proposed [121], but the particularity of their application for various industries and types of markets is not taken into account. At the same time, the use of individual concentration instruments can provide false information about market power, either underestimating or overestimating the state of the market, due to lack of information on organizational and economic factors (level of structural monopoly, external competition, local markets, etc.) and methodological approaches to their calculation.

The result of using these sets of instruments allows the making of the competitive market map, as well as the prediction of the position of each major market participant in the next 2-3 years, taking into account the average annual growth rate. When we identify trends towards higher sales growth compared to competitors, we can talk about the presence of market potential in such an enterprise. The results of the analysis of the competitive potential can be the basis for building a competitive market map, based on the classification of competitors according to their market position and the dynamics of their market share for a certain type of product/time. The use of two indicators as a whole will not complicate the analysis procedure, but will substantially increase the results by providing additional information to increase the accuracy of the data. The use of the IHH and CR3 toolkit is easy to achieve due to the simplicity of the mathematical operation. Moreover, these tools are widely used in the market analysis regardless of their nature in other countries. In addition, their use as a whole for the analysis of the food market will provide complex information about its status. The selection of indicators must take into account the market under analysis and its particularities. Therefore, for the food

market analyzed in this paper, the set of selected indicators provides results of increased accuracy.

Chapter IV “*Analysis of the competitive conditions on the food market, in particular - the food retail market. Development of market analysis methods*”. This chapter **is the basis for the research in order to accomplish the proposed tasks** and contains four main subchapters, namely: “4.1. Dimensional aspect - criterion of influence on market analysis. Peculiarities of competition on small markets ”- with the analysis of the impact of the market size on its structure, the degree of concentration, the frequency of competitive infringements and the relations between the market subjects; "4.2. Supply market analysis of the Food Retail Market. Purchasing power"- presents an analysis of food retail market studies in the context of purchasing power. In this context, the particularities of the subjects' market relations were identified, and their impact on the competitive conditions on the market; "4.3. The conditions of competition on the food retail market in the Republic of Moldova”- contains an analysis of the competitive situation on the food retail market in the Republic of Moldova and its particularities; "4.4. The analysis of the market relations between the actors of the food retail market in the Republic of Moldova”- presents the analysis of the market relations of the subjects and the impact of the manifestation of the market power on them. The object of the analysis was the supply segment of the food retail market.

A small internal market, due to its structural and dimensional peculiarities, influences the competitive behavior of economic agents. These conditions, in turn, can generate anti-competitive behaviors, in the tendency to assert themselves on the market. Consequently, the set of rules, analysis criteria, and competition rules must be adapted to the dimensional conditions of the market. Small markets need more attention to the regulation to maintain competition in sectors where there are a small number of economic operators. The small number of competitors in certain sectors leads to the possibility of creating concerted practices or economic concentrations, which lead to the creation of dominant structures. These situations affect the relationship of the market players and are to the detriment of the development of the economic environment in general, as well as of the final consumer in particular. This leads to the need for additional and specific market analyzes.

Regarding the effects of the particularities of structure and size of the market on the competitive environment, several studies have been done [133]. Studies by the OECD emphasize that the dimensional impact of the market on the competitive environment is considerable. In the case of small markets, these effects are usually negative for competition,

leading to limited competitive possibilities. As a result, market players are limited in their ability to develop and maintain competitiveness [134]. On small markets, certain effects on the relationships between market players are identified. Often, powerful companies adopt the abusive practice in their relations with other companies. Therefore, the quality of the market analysis is influenced both by the analysis tools used and by the dimensional characteristics of the market. The selection of econometric analysis tools as a whole with the evaluation of dimensional peculiarities, but also the temporal parameters (periodicity of market analysis and its monitoring) provide precise results in the market analysis process. In this context, estimating the existence/practice of purchasing power is important for market analysis.

The effects of buyer power amplifies by manufacturers' responses focused on offering a wider range of products to gain more space in large-scale distributors. For all distributors taken together, this strategy fails to restore shelf space. Instead, the strategy increases both the value of shelf space and the buyer power of large-scale distributors.

In the short term, the buyer power can simply cause a transfer from manufacturers to large distributors. In the long run, buyer power has negative effects on research and development, plus encourages greater concentration upstream, where it raises barriers to entry [135]. Purchasing power measurement can be performed using concentration-measuring instruments. This method is considered the most direct method of measuring purchasing power. In general, it can be said that the buyer's concentration refers both to the number of buyers (negative) and to the inequalities of size between them (positive). The targeting of purchasing power over small suppliers can be established when there is a small concentration of sellers (suppliers), and it is obvious that the buyer sets the conditions of sale.

Purchasing power can be determined based on the buyer's marketing power. Once the market power is evident, it has its effect in both directions. Establishing a relationship of dependence of the supplier on the buyer indicates the exercise of purchasing power. In conditions where the supplier is constrained, the evidence is formulated in exclusive conditions of sale, packaging, delivery, etc. Other aspects of purchasing power (once this is established) are to be identified following the analysis of procurement contracts, and other related agreements with suppliers/distributors.

Food retail is of considerable importance in the development of the market economy. This sector accumulates a significant part of GDP, but also has a large share of SMEs. Therefore, given its close links with neighboring markets, the food retail sector was considered one of the priority sectors. Retail trade, in the process of economic development, has undergone changes, becoming varied in structure, with several forms of presentation [138,140].

Regarding several markets, especially the developing ones, the conclusions revealed that the modernization of the retail sector has led to a significant increase in the degree of concentration, resulting in both large retail groups (40% of industry turnover), as well as in other less structural forms of cooperation between retailers, such as cooperatives, associations, franchises, etc. (60% of industry turnover).

At the horizontal level, competition has shifted from individual companies to groups of companies integrated into different measures and often linked by simple contractual relationships. Also, at the vertical level, the study identified the importance of large purchasing alliances for about 75% of the retail market), whose members change frequently [145,146,147].

The market of the Republic of Moldova falls within the characteristics established for small developing markets. The food retail system has registered a constant growth in recent years on the territory of the Republic of Moldova. Thus, in 2018, the retail sale of food products reached 34.3% of the total retail trade. The development of the food retail market in the Republic of Moldova in recent years has led to a change in its structure. Thus, the market divides into levels, with the identification of target groups of users, differing by type of product, size, price level, etc.

Although statistical analyzes provide generalized data on food retail, food retail is much more complex, in which several market levels can be differentiated, segmented based on several particularities. Size, assortment variety, price levels, are some of the factors that make segmentation possible.

The food retail market, as a positioning of the actors, has a dual character, given the fact of the relationship on two markets, both on the downstream market and the upstream market. The upstream market is usually left open in the case of market analyzes, as suppliers are present throughout the country and products are constantly changing. An increase in power or the strengthening of the dominant position in the market may lead to the exercise of superior powers at the time of negotiation, to obtain price advantages or other favorable conditions from suppliers.

From the perspective of the downstream market (relationship with the final consumer), food retail networks have a strong influence on the quality of life. The products offered by them reach directly on the table of the final consumer. Therefore, pricing policies, the service system, attracting customers, have an impact on the final consumer. If upstream the market limits are left free (considering the entire territory of the country), downstream, however, the food retail market is segmented, being established local markets, considering a radius on which an

economic agent has impact/is present. The criteria for selecting the store by consumers also play an important role in maintaining sustainability in the market, in conditions of fierce competition.

A key factor in identifying possible distortions of the competitive environment in the analyzed sector is the identifying of the correct relevant market for market players. It provides information on existing or potential competitors of the economic operators analyzed, which may influence the behavior of those companies and prevent them from manifesting themselves independently of market pressures. An analysis of the current market must consider the particular aspects of the market. This conclusion appears when analyzing several cases of economic concentration during the market study, in which the particularities of the current retail trade in the food sector were identified.

Defining the market according to the particularities of the market plays an important role in assessing the degree of market concentration, analysis, and issuing decisions to ensure fair competition on the market. The mistaken definition of the size of the market can lead to wrong conclusions about the behavior of competitors in the market, which limits the accuracy of the results in identifying market powers.

In the food retail market, the quality of retail networks' relationships with suppliers has a considerable impact on the sustainable development of the market. On the territory of the Republic of Moldova, the suppliers of domestic products are often also the producers of the delivered products. In other cases, distributors appear as the intermediate link.

The sustainability of domestic producers is very important for the development of the national economy. Creating the conditions for their development is a problem that both local and central regulatory authorities are concerned. In the face of market liberalization trends, small domestic producers are less competitive, and may not be able to cope with the competitive pressures of larger companies. Therefore, market relations between food retail chains and suppliers are of multilateral importance.

Signs of market power in establishing the relationship between food retail networks and suppliers appear if some companies show an abusive practice in relation to other companies. Constrained companies due to their dimensional inability to compete in foreign markets accept them. Therefore, manufacturers/suppliers accept constraining contractual terms.

It is important that domestic producers are usually small, with small quantities of products, and limited expansion possibilities. Thus, sales are vital for them; otherwise, they can no longer produce, grow, and exist on the market. Under these conditions, food retail networks that have market power, feel advantaged and can take advantage of the conditions of producers,

subjectively influencing the contract negotiation process, in order to obtain low delivery prices. Moreover, they may impose other contractual conditions to their advantage.

Restriction of joint actions using abusive contractual conditions is possible and tends to occur due to power imbalances between the contracting parties. These practices become possible in the event of limited possibilities or a lack of alternatives, such as in the case of small producers who do not cope with external markets. Another factor may be the power to exploit information advantages to the detriment of the other party. In the practice of food retail on the market of the Republic of Moldova, in the unfair practices is present the so-called "fear factor". This factor occurs in the case of perishable products, and the supplier does not have a real alternative to the commercial relationship with the stronger part, the retail networks, which impose unfair contractual conditions. This situation leads to the inhibition of the weaker parties from filing a lawsuit against their stronger partners, due to costly and risky legislative processes [136,139].

In conclusion, the analysis of B2B networking contracts in the food retail market is a valuable indicator in the market analysis process. The existence of restrictive clauses in contracts indicates abusive manifestations by the actors, which result from the existence of market power and a concentrated market, which requires further analysis and continuous monitoring.

Chapter V. *“Improving the market analysis for the Food Retail market”* **outlines the research results**, and contains the modeling of the methods of analysis of the food retail market and the improvement through complementary use in the study process, of the analysis of purchasing power within the ex-ante evaluation of the food retail market. This chapter designs and structures the market evaluation methodology for the analysis of the food retail market. The chapter structure has two main subchapters: “5.1. Use of purchasing power analysis in the evaluation of the food retail market”- with the application of purchasing power analysis in the analysis of market power; "5.2. Design of the market analysis methodology for the analysis of the food retail market ”- with the structuring of the ex-ante analysis and market monitoring methodology, containing the application of both sets of econometric instruments in determining the degree of market concentration and complementary analysis of purchasing power when assessing market power.

The current analysis of the food retail market by the competition authorities contains specific procedures for determining the relevant market. This analysis focuses in terms of the power exercised in the direction of sales. Market analysis focuses on identifying the number of

actors, territorial expansion, the degree of market concentration, and market power. In other words, the study of the food retail market carries out based on general market assessment criteria. The aspect of power exercised over the supplier, however, in the market analysis is only established as an effect of the abuse of power, resulting in unfair contractual conditions.

The competition authority of the Republic of Moldova did not previously provide the issue of the analysis of the purchasing power of food retail networks in the ex-ante direction. However, this aspect is equally important in market analysis, for the early identification of abuse trends manifested by the purchasing power of the actors on the food retail market. This is demonstrated in the analysis of the B2B relationship between the actors of the food retail market, where the effects identified because of the exercise of market power were identified, namely abusive contractual clauses.

The food retail market is specific, and its analysis requires an individual approach. This is due to the particularity of the actors of this market to exercise their market power, and to influence not only the choice of the buyer but also the choice of the sellers. Any behavior directed at one of the markets, supply or sale, (ie either to suppliers or to competitors or consumers), also has effects on the other. Based on this analysis of the market for the food retail market, either for information and monitoring, but especially in the analysis to determine the impact of changes in the market (mergers, concentrations, etc.) must take into account both the sales and the of purchases.

As a result of the analysis of the market relations particularities for Food Retail market actors, and the influence of their conduct on all market segments on which they are present, we consider that the market power in the sense of food retail must be analyzed in 2 directions:

1. *Selling power*: territorial expansion; assortment diversity; the number of marketing units, relations with competitors, etc.
2. *Purchasing power*: the power to influence the supplier/distributor in making decisions.

Therefore, structurally, the new market power assessment methodology contains two directions of analysis, with identification of the relevant market limits and the degree of market concentration, as well as the market power of the analyzed subjects, for each one (figure 1).

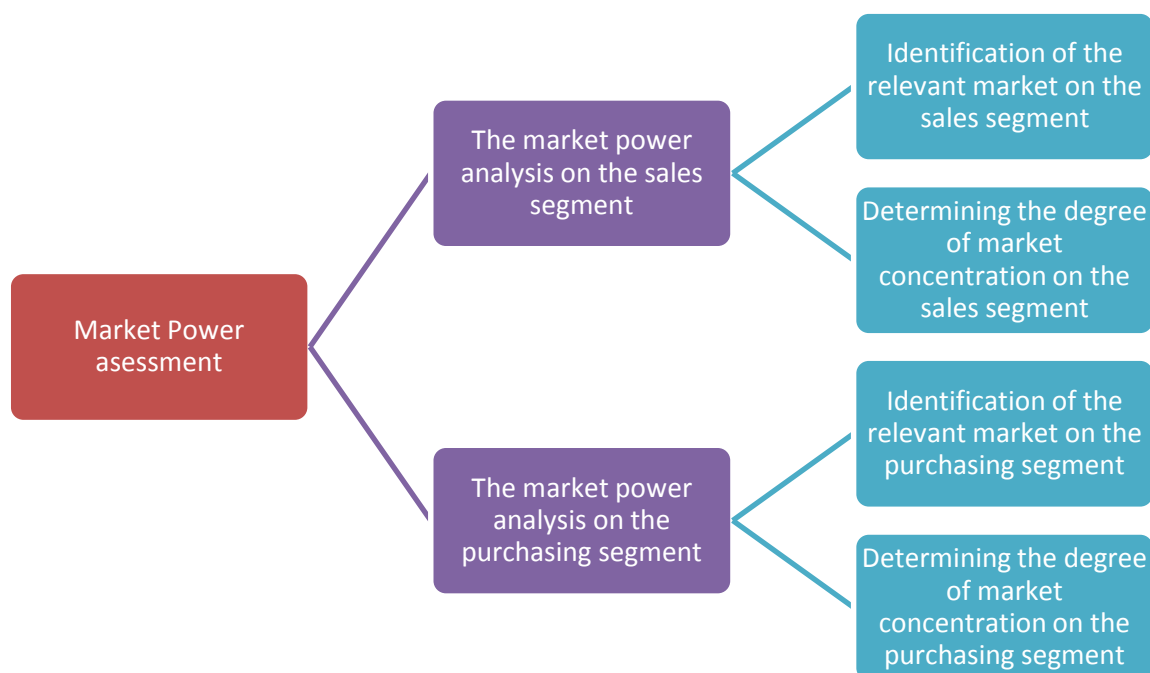


Figure 1. Market power assessment structure

Following the analysis of the Food Retail market in the Republic of Moldova, based on the criteria determined by the market assessment, the food retail market was estimated as a concentrated market. The presence of market power is both in the supply market and in the trading market. The evaluation of the contractual relations of the food retail networks with the suppliers/distributors of products resulted in the identification of a series of restrictive conditions. A study of the contracts between the supplier/distributor and the consumer goods marketing networks resulted in the identification of several restrictions.

The current practice of analyzing, storing, and using market information is based on market analyzes carried out in the infringement investigation process, and the use of this information as a basis for subsequent investigations. We can call this method, a precedent method (a term used to describe the influence of a previous decision on current decisions on similar cases) due to the effect it has on the market analysis process. In the absence of regular market monitoring analyzes, this practice is very informative and useful. Moreover, it is widely used by EU and US competition regulators. In addition, the precedent practices in the competitive sphere (with reference to infringement cases and the results of investigations and decisions taken) are the basis for the development of competition rules. However, the application of these practices is, after us, with efficient results in the case of developed markets, with a highly competitive culture and a lower rate of abuses of a dominant position. In emerging

markets with a high rate of infringements and trends in the use of market power for abusive growth purposes, an additional analysis of markets as a whole, especially those of major importance to the population and the economy, is recommended. Establishing and implementing a market analysis methodology, with information on steps to be followed and tools used, particularities to be taken into account when interpreting the results, will facilitate the efforts made by the competition authority in the market analysis process in the investigation process. In addition, will help systematize market information and establish areas of increased interest in sectors at risk of distorting the competitive environment.

Due to the expansionary stage of the market, economic concentrations through mergers or acquisitions of shares have an increasing trend, which leads to a reduction in the number of companies. Therefore, regular market analysis and monitoring are important to highlight the main trends associated with a change in the level of concentration and to determine the main directions of development. Reducing the number of firms in the market may lead to equalization of the positions of the remaining firms and, at the same time, reduce the existing level of concentration, or may reduce the competitiveness of the market.

The practice of periodic market research to monitor changes in dynamics is widely used by competition authorities in other countries. A study of market analysis methodologies from the practices of other countries allowed the realization of a scheme of the periodic market analysis methodology that can be applied in the market analysis activities by the competition authority of the Republic of Moldova.

Based on the results obtained from the study conducted on the market of relief products of the Republic of Moldova, was designed a methodology of periodic market analysis for application in market analysis to obtain successful results in the process of analysis of the food retail market. The structure of the market analysis methodology to monitor the compliance with the general competition rules contains nine compartments, which describe the analysis method and the tools used for the market analysis. Three points that describe the analysis stages (the actual content of the compartments of this methodology), the information sources, and the market study interval precede these compartments. Their content is as follows: determining the time frame for the market study; determining the relevant market; determining the composition of entities active on the market; calculation of market volume and the volume of commercial entities on the market; determining the level of market concentration; identification of entry barriers; assessing the state of competition in the market; determining the dominant position of economic entities; drawing up an analytical report (figure 2).

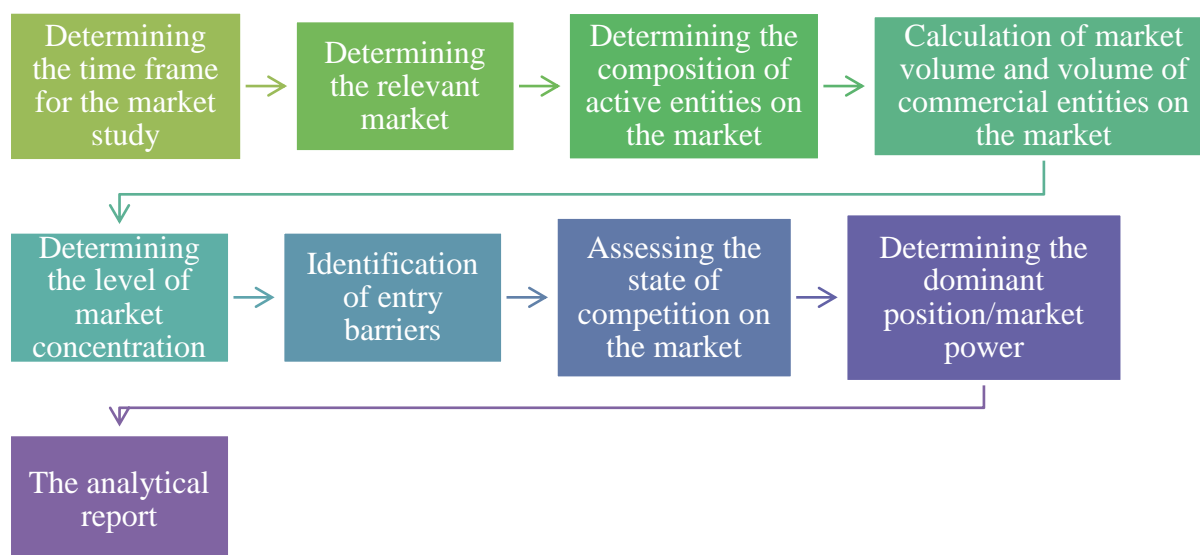


Figure 2. Structure of the Market Analysis Methodology

As sources of information for the analysis, data with official statistical information will be used; information received from tax, customs and other state bodies, central (national) banks, authorized bodies of the Member States; information received from individuals and legal entities (including information provided by consumers), including by survey, as well as information provided by sellers of this product, marketing results, sociological research; the results of economic and other studies, opinions of specialized organizations, as well as specialists and experts; publications of executive authorities and independent informational centers and services; information received from consumer associations and producer associations; media reports; materials of the competition authority from previous studies and information received from state bodies; and/or state standards, specifications, and other regulations.

CONCLUSIONS

The materialization of the theoretical-methodological and applied researches in the paper, in order to develop the methods of analysis of the competitive market allows the formulation of **the following conclusions**:

- [1]. Competition is one of the most well-known and fundamental economic categories. Along with the development of competitive relations, it plays an important role in achieving economic reforms and market evolution. The degree of stability and proportionality of the market depends

on the existence and forms of competition. Competition is considered a natural and vital phenomenon, pre-existing in all sectors of the economy, which can be limited only for subjective reasons.

Currently, the classical methods of analysis are widely used, but the peculiarities of the market structure and each case are also considered. A standard analysis cannot be viable in different dimensional market conditions. The results that can be obtained from the analysis of a small market can be restrictive for a company, while in the conditions of the same company on a large market, admissible. How else and vice versa, in other conditions, such as considering the benefit of the final consumer.

[2]. Major importance in identifying the relevant market and determining the market concentration was determined with the advent of competition regulations. The use of econometric and statistical tools for market analysis facilitates the presentation of the real situation on the analyzed market, as well as helps to determine the possible effects that may occur because of market transactions. Any change that takes place in the market also has a positive or negative impact on the final consumer. Currently, the estimation of positive market dynamics reflected for the benefit of the consumer is accepted even in the case of competitive changes in proportion.

Although the market approach is similar to prohibit anti-competitive action and market analysis, the evaluation criteria and procedures differ depending on the country and the legal regulations adopted. This is due both to the market characteristics, the level of development, and its size, as well as the competitive policy, adopted. In this sense, the criteria for determining an entity as dominant also differ. The diversity of economic parameters that characterize the market share is related to the level of concentration of national economies, their place in the international division of labor, the territorial limits of the market, the dynamics of market mergers, etc. They are also influenced by the diversity of methodological approaches - calculating the share of an entity on the market or the total share of several entities. In the context of global competition, international integration, and modern means of communication, the borders of the country of origin do not limit the competitive capabilities of companies. As a result, companies' desire to gain a competitive advantage forms a strategy to enter new market segments, increase their total share, and increase their concentration.

[3]. Because of the comparative analysis of the practical procedures used by competition authorities in several countries, several directions have been identified in the analytical approach to market assessment for competitive purposes. Both qualitative and quantitative methods of analysis are widely used. However, a combination of statistical and questionnaire tools prevails. The

differentiation of analysis practices can be associated with the degree of market development in economic terms but also with the size of the internal market.

Although in the competition regulations all the practices of the competitive authorities subject to analysis have included the classic analysis tools, depending on the case they may not be used. This is due to the modernization and development of markets, which requires the involvement of other approaches; Lack of information for the true application of classical analysis tools; the simplicity of the case under analysis, or full information on the market from other sources.

[4]. The analysis of scientific papers on the research of the analytical essence of competition and conceptual approaches to understanding its content allowed the presentation of a feature of them on the classification of market models and types of markets. In this regard, classification criteria have been formulated that characterize various conceptual approaches to understanding the essence of competition. Two synthetic signs characterize competition: the objectives (outcome) of behavior and the characteristics of relationships between market entities. Structural economic models, being methodological (theoretical) constructions, possess those analytical tools that explain the tactics and strategy of the behavior of market entities make it possible to predict the market reaction to changes and develop ex-ante (preventive) methods of market assessment. The main value of economic theories lies in their ability to provide a conceptual basis for the development of market valuation methods. Such a methodological approach allows a formulation of the principles of market valuation and the substantiation of its economic objectives.

The empirical evaluation of the market structure analysis indicators allowed the characterization of the level of their adaptability to the market analysis practice. The study underwent a series of concentration indicators used in the market analysis, and identified those that best describe the type of market structure, but also assesses the relationship between economic entities in the market.

Following the analysis of the applicability and informational capacities of the evaluated indicators, it was proposed the complex use of analysis coefficients in the study process of the food market in the Republic of Moldova, namely the application of sets of coefficients, CR_{3,4} and IHH; and CR₄ and the Hall-Tideman index, a practice that was not previously used in the analysis of indicators of concentration on the food market in the Republic of Moldova. The argument for the use of these indicators in the proposed sets is their mutual complementarity in the information provided on the market. The result of the use of these sets of indicators allows

the construction of a competitive market map, as well as the prediction of the position of each major market participant in the next 2-3 years, taking into account the average annual growth rate. When we identify trends towards higher sales growth compared to competitors, we can talk about the presence of market potential in such an enterprise. The results of the analysis of the competitive potential can be the basis for building a competitive market map, based on the classification of competitors according to their market position and the dynamics of their market share for a certain type of product/time.

For the efficient analysis of the market and the determination of the degree of concentration, it is very important to analyze the market as a whole. Used individually, an econometric indicator can be interpreted inaccurately and sometimes disregarded possible risks in the market. The interpretation criteria for a particular indicator may artificially induce an increase or decrease in the degree of market concentration, due to the particularities of its individual elasticity. At the same time, a series of indicators, despite being informative, is difficult to calculate and requires a series of preliminary information, which is not always accessible. Therefore, the application of the IHH and CR3 assemblies, and HT and CR4, in pairs provides complex information on the market situation. The selection of indicators must take into account the market under analysis and its particularities. Therefore, for the food market analyzed in this paper, the set of selected indicators provides more accurate results.

[5]. The paper highlights analysis criteria for addressing market relations in conditions specific to a small size of the internal market, for competitive assessment. The study of the characteristics of the small market allowed the structuring and presentation of the impact of the dimensional peculiarities on the competitive behavior on the market and the market concentration, as well as the determination of the importance of the market relations on the evaluation of the competitive market. The market assessment in the dimensional context allowed the identification of additional criteria for influencing the competitive environment on the market. In this context, purchasing power was analyzed as an aspect of the relationship between food retail chains. Abusive manifestations of purchasing power have a considerable impact given the small size of the market. The result is amplified by market conditions of suppliers, their size, and reduced sustainability. Restrictive conditions are accepted due to the dimensional inability to compete in foreign markets. As a result, manufacturers/suppliers accept some contractual conditions of constraint on the part of the networks.

It is important that domestic producers, due to their small size, usually have small quantities of products and limited expansion possibilities. Thus, sales are vital for them, without which they could no longer produce, develop, and exist on the market. Under these conditions,

one feels the advantage of networks and the tendency to take advantage of these conditions, subjectively influencing the contract negotiation process, for the unilateral benefit. Restrictions tend to occur due to power imbalances between the contracting parties. These practices become possible in the event of limited possibilities or a lack of alternatives, such as in the case of small producers who do not cope with external markets. Another factor may be the power to exploit information advantages to the detriment of the other party. In the practice of the food retail market, exists the so-called "fear factor". This factor occurs in the case of perishable products, and the supplier does not have a real alternative to the commercial relationship with the stronger part, the retail networks, which impose unfair contractual conditions. The results of the analysis conducted in several market studies on delivery contracts between suppliers/distributors and food retail networks, identified dominant contractual clauses, namely to exert pressure on suppliers/distributors, or cartel agreements, which lead to the creation of barriers to entry.

[6]. The evaluation of the purchasing power and its mechanisms of action on the market relations with the presentation of the methods of establishing the market limits and analysis of the degree of its concentration in this sense contributed to the improvement of the market analysis methodology on the food retail segment. In the research, it was noted that the current practice of analysis, storage, and use of market information is based on market analyzes carried out in the infringement investigation process, and the use of this information as a basis for subsequent investigations. In developing markets with a high rate of infringements and trends in the use of market power for abusive growth purposes, we conclude that further analysis is needed, as a whole, of markets, especially those of major importance for the population and economy.

The assessment of specific market segments is of increasing importance in the context of dimensional peculiarities, and the improvement of ex-ante analysis and monitoring methods, in a market with a high risk of competitive infringements, used to analyze the market concentration on the food retail sector.

[7]. The research results outlines in the development of methods for analyzing the competitive market, in the food retail segment. As a complementary criterion to the analysis of market concentration and the establishment of the market power of the subjects within the ex-ante analysis and monitoring for the food retail market in the Republic of Moldova, the analysis of upstream market power was used. The purchasing power of the actors on the market can have a considerable influence on the market, not only in the sense of purchases, in the exercise of influence over suppliers, but also in the sense of territorial expansion of the range, customer

relations, pricing, etc. That is why it is an important criterion to consider in the ex-ante market analysis.

As a result, the methodology of ex-ante analysis and market monitoring on the food retail segment was developed and structured. The design of the market analysis methodology is focused on the two powers of food retail subjects (the power to sell and the power to buy). Based on the methodology, the market analysis is structured in important stages, such as: determining the time interval for the market study; determining the relevant market; determining the composition of entities active on the market; calculation of market volume and the volume of commercial entities on the market; determining the level of market concentration; identification of entry barriers; assessing the state of competition in the market; determining the dominant position of economic entities; preparing an analytical report. The period for the market study must be at least 1 year or correspond to the period of existence of the market if it is newly formed. Particularly in the food retail market, compared to other types of markets, the instrument recently used in the EU for determining market boundaries, the isochron, was used to determine the relevant market.

An important aspect, in the market analysis methodology, is present the analysis of the purchasing segment complementary to the marketing segment, to identify the presence of purchasing power together or independently of the marketing power. Establishing and implementing a market analysis methodology, with information on steps to be followed and tools used, particularities to be taken into account when interpreting the results, will facilitate the efforts made by the competition authority in the market analysis process in the investigation process, and will help systematize market information and establish areas of increased interest in sectors at risk of distorting the competitive environment.

An effective market analysis, in practice, should not contain more theoretical than practical material. Periodic market analysis and monitoring are important in order to highlight the main trends associated with a change in the level of concentration and to determine the main directions of development. Changing the number of firms in the market can lead to equalization of the positions of market subjects, but also change the existing level of concentration, which can consequently reduce the competitiveness of the market. Periodic evaluation of the market will allow not only to obtain information about its status and level of concentration but also to visualize the transformations in dynamics and development trends, so necessary in small markets. The methodical establishment of the market analysis procedures allows a comprehensive analysis of the economic concentration of the market. Moreover, the market

monitoring process allows the analysis of the main market trends and the use of preventive measures in case of structural market changes.

As a basis for obtaining the main results of the paper is a comprehensive assessment of the known instruments of market concentration in economic theory, practice, and highlighting the most informative, in the context of ease of implementation and response to changes in market dynamics (degree of flexibility). The basis of the empirical study in general (for the evaluation of market analysis indicators) was the food market data for some product categories and, in particular (for the improvement of analysis methods in the specific market context), the retail segment in the Republic of Moldova.