

DETERMINANTS OF COMPETITIVE INTENSITY: SUBSTITUTABILITY AND PRICING POLICY

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Abstract: *The article offer a critical perspective of several elements and some associated indicators used in characterizing and estimating the intensity of competition (i.e., the extent to which the mutual pressure of rivals is exerted on the market). We focus on the pricing policies of the firms and its impact and expected responses from competitors. Influences of substitutes and overall production capacity surplus are also analyzed.*

Key words: *competition; competitive intensity; imperfect competition; price signals*

JEL Classification: *D40; D43; L11; L13; L41*

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