

REGIONAL ECONOMY AND ADMINISTRATION OF TERRITORIES: GLOBAL TRENDS AND NATIONAL PECULIARITIES

DOI: <https://doi.org/10.30525/978-9934-26-220-3-15>

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MARKETING RESERVES TO INCREASE THE COMPETITIVENESS OF THE ENTERPRISE IN MODERN CONDITIONS

Summary

The article examines the theoretical approaches to the formation and practical application of the marketing management competitiveness mechanism of the enterprise. Proposed marketing reserves are aimed at improving it in modern business conditions. It is established that marketing reserves are one of the most important factors to ensure the competitiveness of the enterprise, which should be implemented through the creation of appropriate management structures, market monitoring system, marketing analysis, and the formation of a comprehensive information system. The basis of marketing reserves are groups of elements: marketing complex, marketing research and marketing analysis of information, tangible assets, human resources, qualified work of the marketing department. The introduction of a marketing approach in the practice of commercial enterprises is a reserve for improving the efficiency of existing resource potential, and especially marketing to ensure its competitiveness and sustainable development.

Introduction

Current trends in the domestic market economy are characterized by intensification of globalization and integration into the world market, resulting in increased competition in domestic and foreign markets. In conditions of fierce competition in the market, there is a competition between producers for favorable conditions of production, sales, consumer engagement, quality indicators, profit indicators and other competitive advantages.

Domestic enterprises are currently operating in a very difficult environment of the global economic crisis, which is caused by the pandemic and threatens the ability of enterprises to operate effectively. It is important for companies to survive in crisis conditions, adapt to them and minimize threats to the environment. This is possible with a high level of competitiveness of the enterprise, with the available competitive advantages, potential opportunities and reserves to increase them. Aggressive competition for domestic enterprises is a modern reality with scale, dynamism and aggravation of actions, in the fierce struggle for their own competitive positions.

In these conditions, there is a need to adapt commercial enterprises to dynamic changes in the business environment, provided the opportunity to take into account marketing principles, namely: systematic, comprehensive study of the market environment and production and economic activities of enterprises; drawing up and implementing a marketing action program at all levels and planning periods; directing the activities of all structural units and units of the enterprise to meet the needs of existing and potential consumers, the implementation of consistent product, pricing, distribution and communication policy.

The level of enterprises competitive support determines the criterion of competitiveness, the most important economic categories and it characterizes the enterprises ability to adapt to market conditions and operate in complex transformation processes, competitive relations, and market management mechanisms.

The issue of developing marketing reserves to increase the competitiveness of the enterprise is relevant and plays an important role in the industrial relations, sales policy formation, sales activities organization, sales system development. With the help of marketing reserves we can ensure the competitiveness of the enterprise. These and other circumstances have determined the relevance of the topic of our study and the need to develop a modern mechanism for marketing management to increase the competitiveness of domestic enterprises.

Part 1. Research of economic essence of concept of reserves and their role in increase of competitiveness of the enterprise

We are convinced that the successful operation of any enterprise in market conditions depends primarily on two factors: available resources (material, labor, financial) and a system of effective management. Today, the issue of finding optimal ways to manage the resources of enterprises in order to increase its competitiveness in the current conditions of Ukraine's economy is extremely important.

Competitiveness of the enterprise is one of the most important categories of market economy and characterizes the possibility and effectiveness of adaptation of the enterprise to the competitive environment, it is traditionally associated with the success of the subjects of competition, efficiency and

stability of the market mechanism. The high level of competitiveness of the enterprise is manifested in the productive use of the resource potential of the enterprise and an effective management system. These positions should be taken into account when assessing the competitive position of the company and benchmarking.

Marketing is the main factor in the success of the enterprise, and marketing management of the competitiveness of the enterprise, in conditions of unpredictable and unstable demand, must comply with the principles of marketing. In modern conditions of commodity production, competition is a mandatory economic component, the action of which, according to Galelyuk M.M. is «for commodity producers an external coercive force to increase labor productivity in their enterprises, increase production, accelerate scientific and technological progress, introduce new forms of organization of production, forms and systems of wages, and so on. Many economic laws take the form of coercive forces of competition as competition between market participants for the most favorable conditions of production, sale and purchase of goods and services, as a result of which competition is an important driving force of economic system, part of the economic mechanism» (Galelyuk M.M., 2008). In general, the competitiveness of the enterprise – the ability to produce and sell its products quickly, cheaply, efficiently, sell it in sufficient quantities, with a high technological level of service. Radeeva M.M. defines the competitiveness of the enterprise as an opportunity to effectively manage their own and borrowed resources in a competitive market (Radyeva M.M., 2006). Competitiveness of the enterprise in terms of marketing orientation is the ability of the enterprise to function effectively in the market with timely response to changes in consumer needs and preferences at a given time compared to competing companies operating in this market (Tkachenko M.O., 2006).

In such difficult business conditions, enterprises must form a model of behavior that takes into account the relationship of environmental factors with all strategic economic units of the enterprise, which must also be competitive.

The density of the relationship of factors and conditions of competition of enterprises for the favorable attitude of consumers to the goods of certain manufacturers, are components of the structure of this concept (Figure 1).

Reserves of competitiveness as untapped opportunities are connected, on the one hand, with features of use of separate elements of internal potential of the enterprise, and on the other, with use of factors of the external market environment. The latter include reserves for the use of rules and regulations set by the state and reserves for market mechanisms (Gryneveczka L.V., 2015).

Implementing a comprehensive approach to competitiveness, based on the main components of the company's potential: the degree of customer satisfaction with products, strengthening human resources, focus on innovation, competitive potential and effective strategy for a particular market segment, reserves to increase the competitiveness of domestic groups (Figure 2).

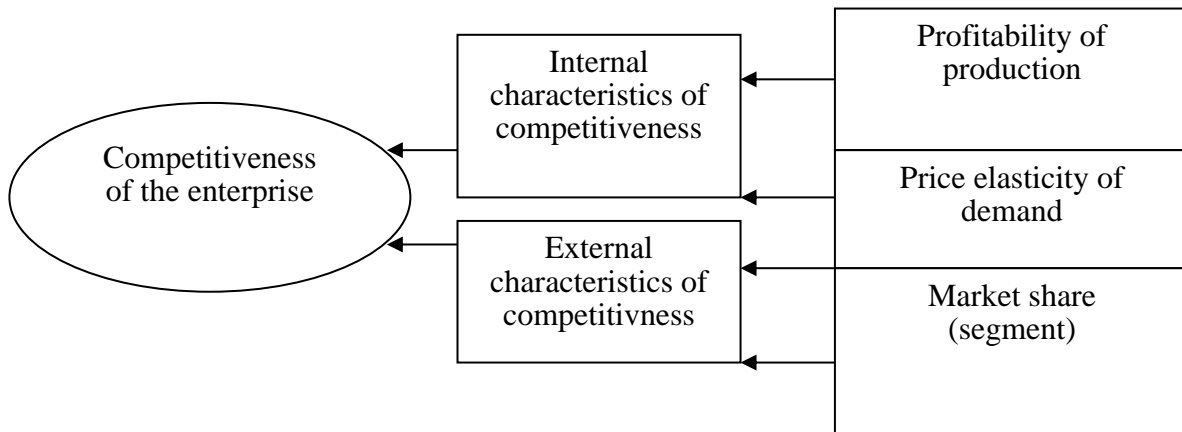


Figure 1. The structure of the concept of enterprise competitiveness

Source: generated by the authors

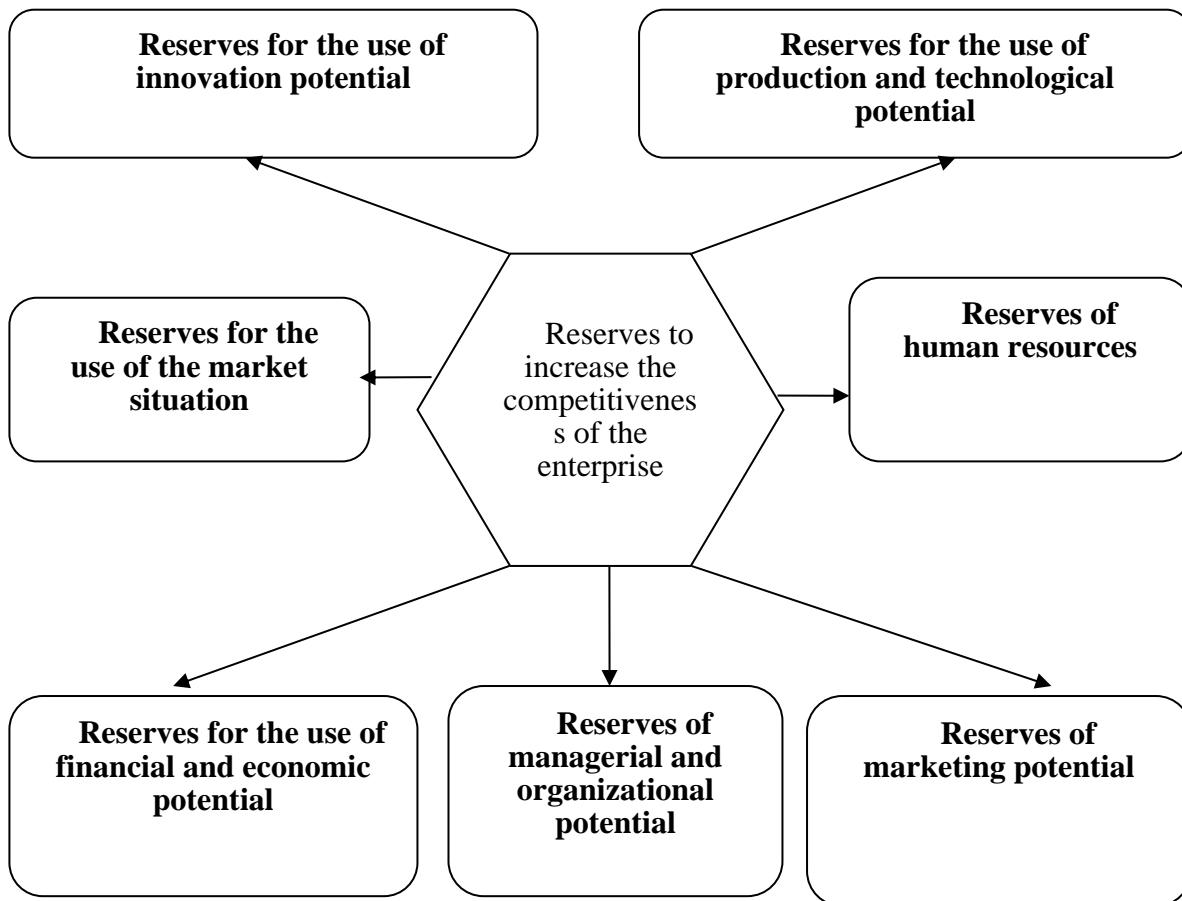


Figure 2. Classification of reserves to increase the competitiveness of the enterprise

Source: generated by authors based on (Yamnenko G.Ye., 2012)

Competitiveness reserves should not be combined with reserves as stocks of inventory needed to produce competitive products. The fact is that the same company with the same stock of inventory, quality and composition can create

products of completely different competitiveness. And this will be determined not only and not so much by the quantity and quality of raw materials, how effectively and adequately to the market situation will be used the internal potential of the enterprise (Litvinova Yu.O., 2012).

Enterprises operating in the market differ in a number of specific features: size, areas of specialization, markets, market segments, additional services and more. The key factor of success is compliance with the requirements of consumers, who today are becoming more motivated, informed, aware, demanding.

Part 2. Marketing reserves to increase the competitiveness of the enterprise

In modern conditions, both wholesale and retail enterprises face today's problems: constant changes in demand and prices, high risk, and at the same time make strategic decisions without deep marketing reasoning and analysis, without a marketing management system. The consequences of this may be unprofitable and instability of most commercial enterprises. We have identified and summarized the main shortcomings in the organization of marketing activities of most commercial enterprises, among which are the following:

1. Enterprises do not have a department that would be directly engaged in marketing activities, and the functions and tasks performed by employees of the enterprise are quite diverse and unevenly distributed among them. In our opinion, this is a very serious problem, because the effective work of the company as a whole is possible only with the efficient work of individual employees, and this is possible only in a clear division of responsibilities between employees.

2. Employees of the enterprise are guided in their activities by outdated management concepts, are not always sufficiently qualified and motivated.

3. The state of advertising for most companies is quite low.

4. Lack of a unified methodological approach to the implementation of the marketing management concept.

5. Lack of a well-established system of «feedback» with buyers of goods and services of the enterprise.

Therefore, we are convinced that most companies use only certain elements of marketing, which follow from the needs of their current sales activities.

For most commercial enterprises, there are threats that can lead to:

– to a critical state of the enterprise can lead or entry into the industry of a large number of competitors and a radical change in consumer tastes;

– restrictive policies of state bodies may lead to liquidation of the enterprise or its withdrawal from the industry, for example, increase of customs duties and fees, increase of transport tariffs, change of trade rules. In our opinion, marketing reserves are a set of tools with the help of which modern enterprises will be able to significantly improve the existing situation, accumulate internal opportunities and help implement effective development strategies.

At the same time, marketing reserves cannot be narrowed only to characterize the capabilities of the enterprise, but are part of a comprehensive marketing system based on the marketing concept of management, organization and implementation of effective marketing activities through marketing tools, research, collection and analysis, organization strategic planning and control of marketing activities. The basis of marketing reserves are groups of elements: marketing complex, marketing research and marketing analysis of information, tangible assets, human resources, qualified work of the marketing department.

We have summarized marketing reserves that can increase the competitiveness of the enterprise (Figure 3).

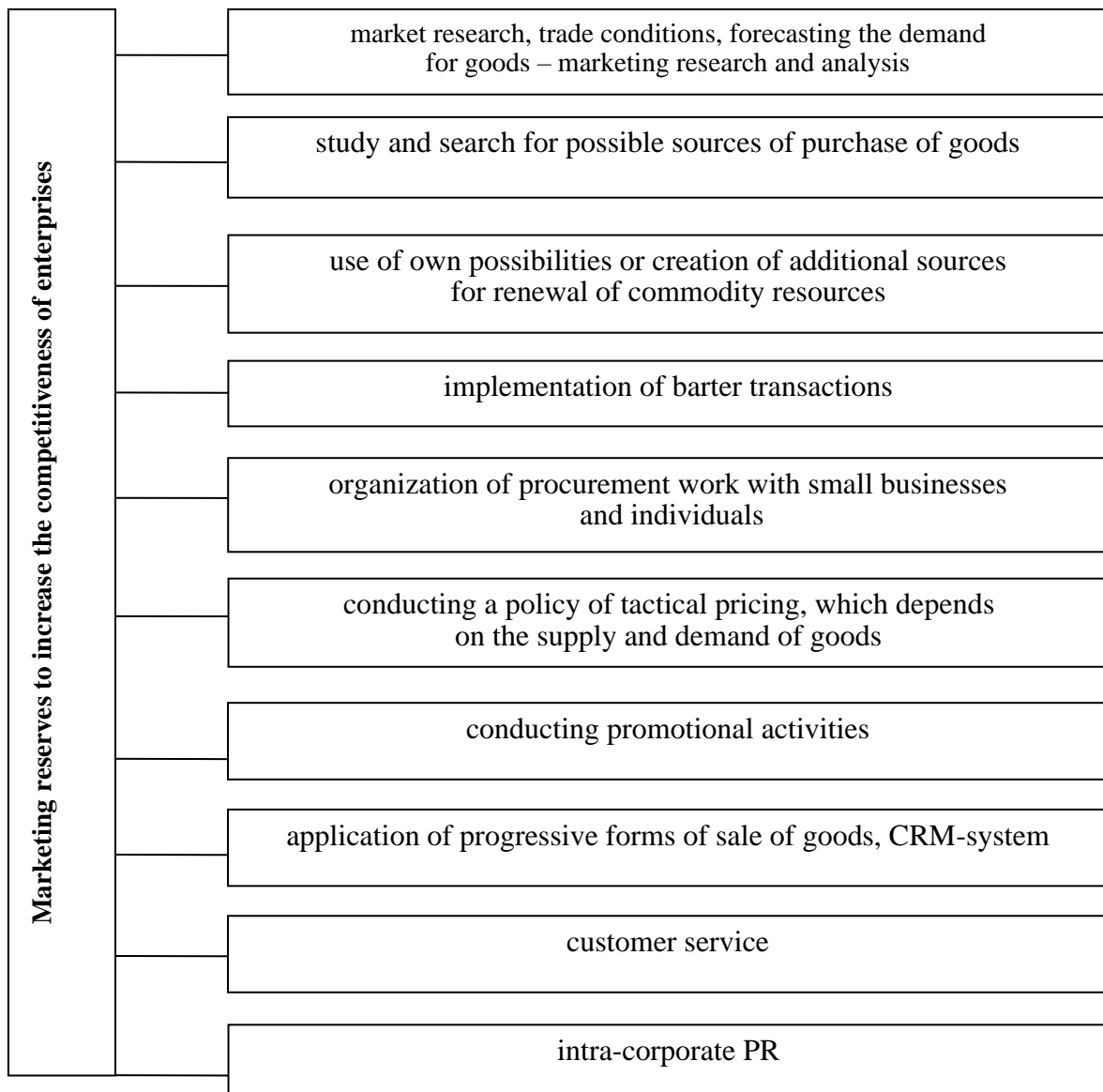


Figure 3. Marketing reserves to increase the competitiveness of commercial enterprises

Source: developed by the authors

It is important to enhance the marketing potential through personnel policy requires compliance with certain principles:

- the principle of professional skills and competence of staff;
- the principle of development, which provides for continuous training of staff in accordance with modern requirements for doing business;
- the principle of motivation, according to which the management of the trading company should encourage professional competition of staff, motivate the achievement of goals;
- the principle of attitude to staff as the main human capital to establish a system of motivational factors, taking into account the factor of individuality of each employee.

Adhering to certain principles, it can be argued that although personnel policy is not the only reserve of the enterprise, but its effectiveness and efficiency can ensure the prestige of work in the enterprise and increase its competitiveness.

In our opinion, increasing the competitiveness of the enterprise depends mainly on three factors: properly formed marketing tools, elements of organizational structure and management system. In this context, the organizational structure of marketing activities in the enterprise can be defined as a basic component of the organization on the basis of which marketing management will be carried out, ie – a set of services, departments, units, including employees engaged in various marketing activities. One of the main principles of marketing management is to bring the places of marketing decisions closer to the units where they are engaged in practical marketing. In order for the management system to be able to adapt to consumer demands, innovations, market conditions, it is necessary to create a marketing service at the enterprise. Any marketing organizational structure should be based on the following components and their interaction: functional features, location, products and consumer markets. We consider it necessary to pay attention to the fact that the extreme lack of reliable market information leads to high uncertainty in management decisions, and primary information is not collected and systematized. The primary task for the employees of the department will be to gather information in the right form and volume.

Kovalenko V.O. emphasizes that the attractiveness of a product does not provide sufficient guarantees for its sale. To do this, you need to inform consumers about its existence, to convince of its good quality and persuade them to purchase goods (Kovalenko V.O., 2013). That is, consumers need complete information to understand the benefits of the product. From this point, we want to draw attention to the importance of creating a CRM-system – customer relationship management as one of the main components of the marketing communications complex.

At the same time, we understand that if we focus only on the CRM-system, the company will lose many market opportunities associated with entering

other consumer markets. Tools that support such analysis should exist in programs that provide marketing planning, along with analytical CRM – tools.

We offer active use of the marketing communications system in a comprehensive marketing system. We insist that in modern conditions, special attention should be paid to the full use of the Internet resource. We are confident that in this way there will be a stimulation of sales, a positive image of the company and provide feedback from consumers to producers. In addition, Internet communications will help to establish direct contacts with buyers of products, bringing the relationship with them to a new level, which will provide up-to-date information on market conditions and changes in the structure of consumer demand. We offer marketing reserves that will help increase the competitiveness of the enterprise (Table 1).

Table 1

Suggestions for more efficient use of marketing reserves

Events	Characteristics
Creating a marketing organizational structure	In order to strengthen analytical work, strategic planning and sales promotion.
Creation of CRM-system and B2B and B2C systems	In order to manage relationships with customers and construction companies, the use of e-commerce
Formation of a permanent marketing information system	It will help the company to avoid strategic surprises, receive timely, complete and reliable information about the environment, build a positive reputation, promote more successful marketing and increase sales, the strategic planning department will include monitoring and audit services, public relations
Review contracts and implement a system of discounts	Refuse unprofitable deliveries and sales; introduce a system of discounts for regular customers.
Increasing employee interest in product sales	Motivation and incentive system for employees (bonuses, salary increases, interest on sales).
Active use of marketing communications system	Carry out a number of measures to intensify work on promotion on the Internet, site reconstruction, site distribution in search engines and other work.

Source: suggested by the authors

The measures proposed by us will promote the effective use of marketing reserves and activities of the enterprise. The authors in Table 2 systematize current trends in the field of Internet marketing.

Table 2

Modern trends in the field of Internet marketing

Trends	Brief description
The emergence of fake formats	News created in the interests of certain people, often panicked, is gaining popularity in the media, sent to groups and channels in Telegram, Viber, distributed through Facebook, Instagram and YouTube. «Fake chains of influence» through photos, texts, graphics based on the model «actualization of the problem + popularization of the problem» is no longer just a trend, but a contrived reality that people with a low level of critical thinking do not even try to deal with.
Increasing the relevance of online tools	Online tools have become relevant to most, and those who may not have noticed them before have finally thought about their importance: the use of CRM, online platforms, the creation of new online products, remote team management
Narrower specialization in the field of targeting	Work with specific audiences and work to increase social responsibility of the brand
Definiteness of unified messages and visual communication of the brand on all platforms	A good message is specific, understandable and able to arouse interest in the brand. For example, Auto. Ria sells up to 1,400 cars a day. This was the content of the key message.
Digitization of education	Use of educational online platforms, including: All-Ukrainian online school, e-magazines and e-diaries, Microsoft Teams for Education and others
Micro trends in video marketing	The share of stories and videos has increased
Emphasis on really tangible socially oriented cases	Various kinds of patronage, sponsorship. Consumer survey results show that 82% of respondents will pay more for goods / services of socially responsible enterprises
Online reputation	More and more users are making purchasing decisions based on information received online. Consumers are more likely to turn to reviews and comments published on the Internet. That is why companies need to pay more attention to monitoring their reputation online and constantly analyze the factors influencing it.

Therefore, we must state that marketing reserves are a tool by which any company will be able to increase its competitiveness. Unused marketing reserves to increase competitiveness, for most commercial enterprises, is the integrated use of all tools (elements) of marketing, the introduction of new forms of trade, the use of modern management methods.

Conclusions

It is established that marketing reserves are one of the most important factors in ensuring the competitiveness of the enterprise, which should be implemented through the creation of appropriate management structures, market monitoring system, marketing analysis, the formation of comprehensive information systems.

Without sufficient experience and strategic management tools to take into account the growing competition, instability and high level of uncertainty of the external environment, it is very difficult for companies to ensure efficiency and high level of competitiveness in the market. In this context, it is necessary to understand that in the system of market economic relations, as a result of a number of inherent features of enterprises it is difficult to adapt to changes in the business environment. Given this fact, the introduction of a marketing approach in the practice of commercial enterprises is a reserve for improving the efficiency of existing resource potential, and especially marketing to ensure its competitiveness and sustainable development.

The main areas of search for reserves to increase competitiveness are: resource, organizational, technological and marketing potential – the degree of customer satisfaction with products, strengthening human resources, focus on innovation, competitive potential and effectiveness of strategy for a particular market segment.

The authors believe that the generalization of existing tools of Internet marketing and the selection of the most relevant and effective, will allow companies quickly to navigate and choose those that will benefit in a particular area of business. According to the authors, in the current conditions of economic and business development, no company will have an advantage in competition if it does not use Internet marketing tools.

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