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THE STRATEGY OF MARKETING AS A TOOL OF COMPETITIVENESS MANAGEMENT

Temchenko H., Astafieva K., Bondarchuk O. (2020). Stratehiia marketynhu yak instrument upravlinnia konkurentospromozhnistiu [The strategy of marketing as a tool of competitiveness management]. *The Herald of Ternopil National Economic University*, Vol. 1. P. 126–133. DOI: https://doi.org/10.35774/visnyk2020.01.126

Темченко Г., Астаф'єва К., Бондарчук О. Стратегія маркетингу як інструмент управління конкурентоспроможністю. *Вісник Тернопільського національного економічного університету.* 2020. Вип. 1. С. 126–133. DOI: https://doi.org/10.35774/visnyk2020.01.126

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Abstract

Introduction. Efficient management is the necessary component of improving the efficiency and production competitiveness, creation, development and realization of competitive advantages of enterprises in the market conditions. In order to exist the enterprise must clearly define and perform its mission. Competition encourages the enterprise to think of effective means to accomplish its mission and its competitive status. The main task of marketing strategy is the competitive advantage formation. Thus, definite mission, competitive status and competitive advantage, the principles, rules, norms and the firm's objective sgive a stable basis for making any decisions in the organization and development of the strategy integrity that is acceptable for the external and the internal enterprise environment.

Purpose. The purpose of the article is to find the strategic basis of marketing to manage the competitiveness of the enterpriseeffectively.

Methods. The methods of abstraction, analysis, idealization, systematization, institutional analysis are used in the research work.

Results. The mathematical model of the indicator which characterizes the economic return from the rational formation and the application of the marketing mechanism in combination with the material-resource potential and real potential capabilities of the organization are proposed for consideration. The application of the proposed model allows to calculate the parameters of the organization competitiveness in the following sequence: product competitiveness, enterprise competitiveness, industry competitiveness.

Perspectives. It is necessary to find and approve new ways of enterprises' competitivenessenhancement that consider the sectoral and regional peculiarities of the development the current situation. In our opinion, it is necessary to implement the positive experience of foreign countries in improving the competitiveness of the economy, in particular, cluster theory of the economic development.

Keywords: marketing activity, marketing management, competitive advantages, management, efficiency.

Formulas: 2, fig.: 1, bibl.: 20.

Анотація

Ганна ТЕМЧЕНКО, Катерина АСТАФ'ЄВА, Ольга БОНДАРЧУК СТРАТЕГІЯ МАРКЕТИНГУ ЯК ІНСТРУМЕНТ УПРАВЛІННЯ КОНКУРЕНТО-СПРОМОЖНІСТЮ

Вступ. Ефективне управління є необхідною складовою підвищення ефективності та конкурентоздатності виробництва, створення, розвитку і реалізації конкурентних переваг підприємств в умовах ринку. Щоб існувати, підприємство має визначити і виконувати свою місію. Конкуренція змушує підприємство думати про ефективні способи виконання свого призначення, про свій конкурентний статус. Головне завдання маркетингової стратегії — формування конкурентної переваги. Таким чином, певна місія, конкурентний статус і конкурентна перевага, принципи, правила, норми та орієнтири фірми дають стійку базу для прийняття

будь-яких рішень в організації та розробки цілісності стратегії, яка прийнятна для зовнішнього і внутрішнього середовища підприємства.

Mema дослідження полягає в пошуку стратегічних засад маркетингу для ефективного управління конкурентоздатністю підприємства.

Методи. В роботі використано методи абстрагування, аналізу, ідеалізації, систематизації, інституційного аналізу.

Результати. Запропоновано до розгляду математичну модель показника, який характеризує економічну віддачу від раціонального формування і використання механізму маркетингу в сукупності з матеріально-ресурсним потенціалом і реальними потенційними можливостями організації. Використання запропонованої моделі дає змогу розрахувати параметри конкурентоспроможності організації в такій послідовності: конкурентоспроможність продукту, конкурентоспроможність підприємства, конкурентоспроможність галузі.

Перспективи. У ситуації, що склалася, необхідний пошук і апробація нових шляхів підвищення конкурентоспроможності підприємств, які враховують галузеві та регіональні особливості розвитку. На нашу думку, необхідно використовувати позитивний досвід зарубіжних країн у підвищенні конкурентоспроможності економіки, зокрема кластерну теорію економічного розвитку.

Ключові слова: маркетингова діяльність, маркетингове управління, конкурентні переваги, управління, ефективність.

Формул: 2, рис.: 1, бібл.: 20.

Problem statement. The problems of the product competitiveness enhancement, the activities of national economic entities and, as a consequence, the economy of the country as a whole play the key role among the economic issues of the modern world. This is natural because the competitiveness is considered at the present stage as a criterion for progress in science, technology, production and management on a regional and national scales. Nowadays, the management of a modern enterprise involves the implementation of the comprehensive approach to solve a variety of problems that are determined by the internal and external conditions of individual enterprises operation.

Both the experience of foreign and also modern business entities shows that the level of marketing development is closely linked to the level of competition. It is obvious that the effectiveness of marketing will increase in proportion to the level of competition. The low competitiveness of domestic enterprises is partly determined by the underdevelopment of marketing technologies.

Analysis of recent research and publications. Foreign scientists M. Albert [1], G. Armstrong [2,4], S. Bru [3], V. Wong [4], P. Drucker [5]. T. Collins [6], F. Kotler [4], J.J. Lamben [7], K. McConnell [3], M. Mescon [1], and M. Porter [8], F. Hedowrie [1] made significant and important contribution to the development of theories of enterprise competitiveness management. The role of marketing in competitiveness management were presented in the works of such researchers as M. Brun [9], V. Gerasimchuk [10], T. Goncharuk [11], L. Dolenko [12], I. Loshenyuk [13], V. Ponomarenko [14], R. Fatkhutdinov [15], O. Fedonin [16], and Z. Shershnev [17].

The theoretical base of research in the methodology of competitiveness development, as well as practical recommendations on the implementation of the marketing strategy in the system of ensuring the competitiveness of economic entities are insufficiently researched in terms of specific methods and tools of marketing management application. It is necessary to develop a systematic methodology for the formation of the competitiveness management system taking into account foreign experience, the development of theoretical, methodological and applied approaches in the current economic situation.

The purpose of the article. The purpose of the article is the competitiveness management marketing mechanism efficiency enhancement of strategic directions formation.

Main content statement. The management system efficiency enhancement of the marketing strategy realization process of competitive advantages development, agreements achievements of the development process participants require new approaches to identify existing needs for goods, their quantitative and qualitative assessment. The complexity of organizational and socio-economic problems and conditions of enterprise development makethe organizational components of enterprise competitiveness marketing management necessary.

The concept of sustainable competitive advantages and methods of effective competitiveness management of the organization can bethe base of the competitive advantages mechanism formation. This approach allows to evaluate the current competitive position of the enterprise, to gain an advantage in competition by efficient use of resources, the identification of the enterprise'strengths focusing on these areas of resource opportunities for their development in order to achieve competitive advantage.

Considering that the main strategic goal is to develop long-term competitive advantages in the conditions of fierce market competition, the marketing system should be aimed at solving complex strategic and tactical tasks [18, p. 104].

Under the modern conditions of market relations development in Ukraine, the launchof competitive products is not the universal tool in a bid for the competitiveness of the enterprise. With constant quality characteristics of products, works and services of an enterprise, its competitiveness can vary within wide limits responding to various factors that are determined by the competitive environment. On this basis the enterprise's competitiveness can be represented in the following form (Fig. 1).

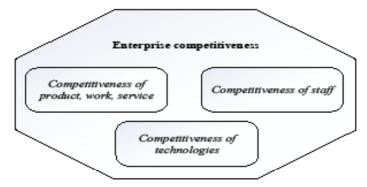


Fig. 1 Factors that determine the enterprise's competitiveness. Source. Developed on the basis of [18,19]

Competitiveness analysis is based on market research, regulatory indexes compliance and internal information. Thus, the need of continuous competitiveness increase in the long run raises the issue of the marketing management necessity to provide maximum results. Marketing opportunities allow to evaluate the activity of the company flexibly and prospectivelyand its position in the market, as well as to form the basis for competitive advantagescreation and increase.

The development of efficient functional strategies is necessary for the effective activities implementation in the field of goods movement, market positioning,goods movement channels improvement, pricing policy, advertising activity and culture of customer service. The process of forecasts and plans development that are driven from the competitive advantages designis a continuous process because it is urgent to maintain the competitiveness of the company and it requires the market position regulation, the achievement of the new competitive advantages and the support of existing ones. Sources of sustainable competitive advantages can be: intangible, innovative, external, based on differentiation which can be realized by patenting technologies, the differentiation of unique goods and services, business reputation, corporate culture of the enterprise, social marketing concept, qualified specialized staff with new skills, abilities and service culture.

In their search for a constant source of competitive advantages, researchers and entrepreneurs have realized that activity depends not only on the formulation and successful implementation of a particular strategy but also how the process of creation and maintenanceof competitive advantage goes. While the essence of the strategy is to justify the company's activities at a certain stage, the process of its formation and implementation is a prerequisite to maintain the stable success. The implemented strategy of the company can be significantly different from the planned one and how the planned strategy is closely related to the processes of the strategy that takes place in the company. There are three main types of strategy management processes: planned, entrepreneurial and experiential learning.

Thereafter, the researchers have identified several other types of strategy management processes by means of both empirical and theoretical researches. They have resulted in a number of structures and models. Most of them are too isolated and suffer from a lack of common base and terminology. Furthermore, more recent works were aimed at bringing all existing structures together in a logically consistent holistic approach.

It is becoming more reasonable that none of the individual strategic management processes or strategic opportunities will provide a sustainable competitive advantage. Companies are increasingly forced to adapt dynamically to the demands of the environment, constantly changing their strategy and strategic capabilities. Recent research works have stated that the company achieves the best results if it is not limited by a particular strategic capability or process but it applies several of them simultaneously. [20, p.49].

In order to get a real effect from the marketing approach to management, the criteria of the organizational structure, appropriate management and production processes of an industrial enterprise to the marketing concept should be established. In general, the introduction of the marketing effectiveness improvement programcan lead to the improvement of such indicators of the enterprise efficiency as profit as a whole, profitability of sales by types of goods and markets, market share, stability of functioning of the enterprise, business reputation, brand awareness.

High competitiveness achievement should be a priority of the country's socio-economic development strategy. This approach can ensure development proportionality and avoid high resources costs in the future. The complex of competitive advantages includes measures of the marketing strategy guidanceto maintain market position and gain additional market space. The main competitive advantages are availability of raw materials; the quality of the final product; company image; enterprise management system; staff management system; marketing information systemorganization; product promotion and marketing system; market research; work with suppliers; speed of order fulfillment. The complex of competitive advantages should vary depending on the company'spurposesand the market situation.

In order to determine the strategy and tactics of competition, to resolve the issues of competitiveness analysis, measures development aimed at regulation strengthening and their level stimulation, it is purposeful to create a competitiveness committee at the enterprise that should include the enterprise'sheads of functional departments and the main specialists. The responsibility for the information support and all necessary calculations are taken by the marketing department.

The objectof management in the system of competitiveness is the mechanism of formation of competitive goods produced by the enterprise. The factors of competitiveness are on inlet of the system; competitive advantages are at the outlet. There are direct and feedback links between the inlet and the outlet.

The efficiency of marketing activity is a system-forming indicator that characterizes the economic return from the rational formation and use of the marketing mechanism in combination with the material-resource potential and real potential capabilities of the organization. The marketing activities effectiveness evaluation shows the socio-economic impact of using marketing tools together with the resource potential and the opportunities of the enterprise [19]. Mathematically, this indicator can be represented as a ratio of business results and marketing costs.

The estimated efficiencyof enterprise's marketing activities is determined by the following formula:

$$E_{M.I.} = \frac{1}{3} * p_M * \left(\frac{I - l_m}{C}\right),$$
 (1)

where Pm is marketing potential; I - income; MR - marketing losses; C - costs. In turn, marketing potential is calculated by the following formula:

$$Pm = 0.295 * (c_1 * c_2 + c_2 * c_3 + \dots + c_{10} * c_1), \tag{2}$$

where is the technical potential; - market share; - marketing information system; - the degree of market segmentation; - specialization of the enterprise; - pricing policy; - the channel of trade of the enterprise; - personal sales; - advertising; - benchmarking; - PR (public opinion).

The application of this methodology will help the enterprise to increase the level of its competitiveness and to develop the necessary strategy for the promotion of its goods (services) in the market.

The collection of the information into the competitiveness information database should be systematic. The information system of competitiveness management is a permanent system of human relations; equipment and methodical methods of collection, classification, analyses, evaluation, punctual and accurate information performance to manage the enterprise's productscompetitiveness. Market information accumulation is a specific, independent stage of competitiveness management as it is necessary to form strategic databases about the market condition and competitors.

Benchmarking, as a new technology of marketing management, allows top management to make radical changes based on comparing best business practices. New thinking formation among business executives is crucial. To our mind, the success of marketing management depends directly on two key management competencies: the ability to forecast the future better than the competitors and the ability to understand where to concentrate company resources properly.Ranking strategic alternatives by the criterion of business value reveal the most promising variant of innovative development of the company and develop a detailed plan to improve the competitiveness of the products being produced.

The main elements of the marketing strategy are the monitoring, analysis, evaluation, forecasting of the ongoing market processes and trends of the industrial sector as part of the indivisible economic system. Marketing researches in the strategic planning system are carried out on such aspects as product, channels of distribution, methods and techniques of its implementation, pricing system, sales promotion, advertising; they must be carried out on the basis of modern information technologies in all areas of the enterprise. As a result of marketing researches the estimation of potentials and safety of the enterprises based on a specific state on the market should be obtained.

Conclusions. To sum up the stated above, it should be mentioned that the complex of competiveness enhancement measures that are developed by the enterprise due to marketing management improvementmay have different sections according to the results of theenterprise's competitiveness assessment, their strengths and weaknesses of the management system.

Further research perspectives. However, we should distinguish priority sections among the rest in order to implement theprogram document direction development processes: financial and economic activities (analysis of the enterprise's competitive potential), production activities, quality of service, innovative development, social environment and staff. Each section is calculated by the competitiveness indicators and the integral competitiveness index of the enterprise that is the strategic indicator of all enterprise development plans.

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