

# ПІДПРИЄМНИЦТВО. МЕНЕДЖМЕНТ. МАРКЕТИНГ. ЛОГІСТИКА.

## BUSINESS. MANAGEMENT. MARKETING. LOGISTICS.

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### KEY INSTRUMENTS OF IMPROVING THE EXPORT MARKETING SYSTEM EFFECTIVENESS

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*Продіус Ю.І., Коломієць В.Ю. Ключові інструменти з підвищення ефективності системи маркетингу на зовнішніх ринках.*

В даній статті розглянуті сутність та визначення комплексу маркетингу, системи маркетингу у зовнішньоекономічній діяльності підприємства та визначені ключові інструменти з підвищення її ефективності на зовнішніх ринках.

*Ключові слова:* комплекс маркетингу, система маркетингу, міжнародний маркетинг, маркетинг ЗЕД, вихід на зовнішні ринки, маркетингове дослідження.

*Продіус Ю.І., Коломієць В.Ю. Ключевые инструменты по повышению эффективности системы маркетинга на внешних рынках.*

В данной статье рассмотрены сущность и определение комплекса маркетинга, системы маркетинга во внешнеэкономической деятельности предприятия и определены ключевые инструменты по повышению ее эффективности на внешних рынках.

*Ключевые слова:* комплекс маркетинга, система маркетинга, международный маркетинг, маркетинг ВЭД, выход на внешние рынки, маркетинговое исследование

*Prodius Yu.I., Kolomiets V.Yu. Key instruments of improving the export marketing system effectiveness.*

There were considered the essence and definition of the marketing mix, marketing system in international business activity and defined the key tools to improve its performance on foreign markets in this article.

*Keywords:* complex marketing, marketing system, international marketing, foreign trade marketing, access to foreign markets, market research

Experience shows that sustainable and profitable position in world markets depends on its ability to identify potential foreign customers, to understand their requirements and characteristics of the offered products, from strategy of firm behaviour in the selected markets, the availability of an efficient system of distribution and promotion of goods outside the country, on the effectiveness of foreign economic activity of modern marketing methods. The purpose of the international marketing can determine the optimal values of the level of sales and the share of the foreign market. To achieve this goal in the long term, managers need to employ a new level of marketing management. Today, before the development, production and sale of the product in the foreign market, the management of a significant part of companies takes a strategic marketing decisions on participation in international business, on the selection of foreign markets, segments and ways of penetrating them about the company's marketing strategy in selected markets. This is predetermined by the urgency of the problem [1].

#### Analysis of recent researches and publications

Among the latest scientific research according the problems associated with the effectiveness of mechanisms of international marketing are the works of foreign and domestic scientists as F. Kotler, I. Ansoff, A. Diane, O. Andreeva, O. Vihanskiy, I. Gorchikova, E. Golubkov, Ch. Kirichenko, S. Bozhuk, F. Krasulnikov, I. Lilic, M. Oklander etc.

However, many questions of this area remain unresolved and especially no papers that summarized the problem has been revealed exactly define, build and ensuring the effective functioning of the marketing system on the external market.

The aim of this article is definition of the marketing system for the enterprise that has a foreign trade, to determine the main tools for improving the efficiency of this system.

### The main part

The concept of "marketing" is derived from the English word "market"), the suffix "-ing" means action, some work performed on the market. Marketing involves certain types of exchange between members of society. In the simplest case, this exchange is beneficial to both parties. At one or another of the individual is what others need. So they spend each trade on the market [2].

Marketing as activity should be in the arsenal of specific tools. These are the most important elements of marketing, the so-called "4P":

- product, good,
- price,

- place, sales, distribution,
- promotion.

These four elements combine to form a complex marketing mix [3]. The marketing mix is the set of marketing tools (product, price, place, promotion), which structure provides the goal and solution of marketing problems. Thus, the ability to mix elements of the marketing mix is the key of success of the company to solve marketing problems [3].

It is considered each of marketing elements on fig. 1.

International marketing is the process of marketing management for goods or services that cross the border. It can also be defined as a system of marketing at foreign markets. All activities associated with the external roars belong to international marketing.

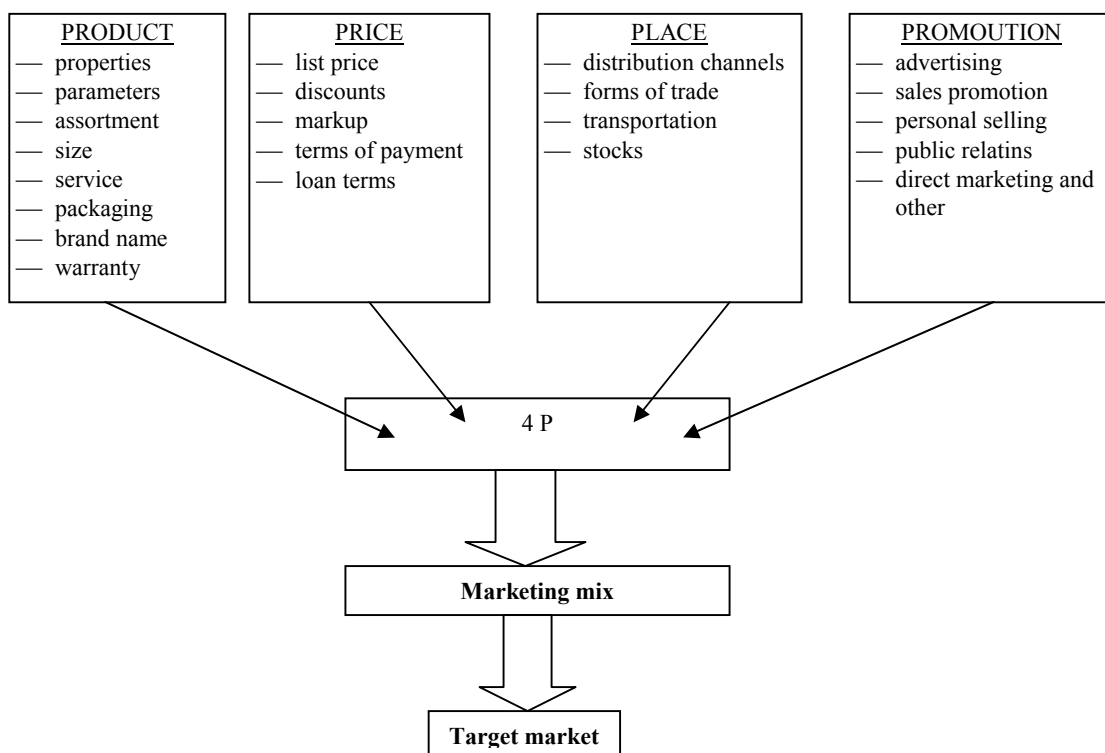


Fig. 1. Marketing mix [3]

International marketing means the export and import of goods to other countries. It includes a lengthy procedure and all the formalities. Of course, it is based on the principles of internal marketing; it uses methods, techniques, strategies typical for global marketing. But international marketing has its own specific aspects.

International marketing is more complex than domestic, because there are such factors as international constraints, global competition, time-consuming procedures and formalities and other. More when business crossed the border of the nation, it becomes much more difficult, but at the same time, it offers opportunities to obtain huge profits and

valuable foreign exchange. International marketing has a wide economic importance, as it offers various advantages for the national economy. It contributes to economic, industrial, entrepreneurial development, ensures optimum use of available resources. Each country should participate in the global marketing and get mutual benefits. The absence of such participation in international marketing makes the process of economic development to danger.

Company entering the foreign market is faced to radically new circumstances, increasing number of factors that must be considered when making decisions. Today, basically, the world market is already divided, large multinational corporations

firmly hold on to its percentage of the market, audience and struggle in this market is difficult, because the competition is very strong and the quality and type of product and the time of its release – everything must be carefully planned, produced and provided to at least try to take its small market share. When the company started international activities, the marketing is compounded as following:

- 1) new risks at foreign trade;
- 2) reduces the ability to predict, because a very high degree of uncertainty;
- 3) the company needs more information, therefore we need to conduct market research deeper and more;
- 4) requirements for the management of the company are increased, because you need to react quickly to changes and to take effective decisions;
- 5) internal risks of the company should be minimized.

This necessitates are needed to use of effective instruments of international marketing on management foreign trade of the company. Moreover, international marketing should be one of the functions of such company. There should be a separate branch of the company.

From this side international marketing acquires a broader meaning: it is a system of planning, implementing, monitoring and analysis of activities aimed at multinational market environment and the adaptation to its environment, which operates in more than one country [4].

The system of external marketing is a tool to obtain information about the necessary goods, services and the enterprise accordance to the requirements of the market. Currently, the system of external and internal marketing is an essential feature of the activities of enterprises.

The use international marketing on management of foreign economic activity primarily involves the planning, preparation and compliance the marketing strategy. It should be noted that the marketing strategy is the basis of the overall strategy of the company, which carries out foreign economic activity.

Today factor market is very influential: the circumstances in the market are constantly changing, and changing the level of uncertainty. Therefore, the company should always have a strategic marketing programme of action for the next few years (depending on the volatility in the market):

The process of marketing planning consists of the following steps:

- 1) the definition of objectives, which are pursued by the enterprise, going to the external market that are based on common goals of the enterprise;
- 2) analysis of the external environment, which leads FEA enterprise and forecast trends;
- 3) research perspective directions of activity;
- 4) the foreign market segmentation, selection of target segments;
- 5) develop a strategy to enter foreign markets;
- 6) developing the marketing mix, product policy, sale policy, pricing policies and other;

7) the organization of clear and coherent work of the marketing department of the enterprise;

8) monitoring the implementation of the marketing strategies of foreign economic activity of the company and the regulation of international marketing strategies.

Before we decide to enter the world market, the enterprise needs to know a lot of information about peculiarities of the internal and external environment [3].

An important place at the marketing system takes research foreign markets, under which, as a rule, understand the process of finding, collecting, processing and analyzing of data about problems related to marketing of goods and services [5]. This study was conducted to reduce risks and uncertainty when making management decisions. The study, which was conducted to obtain information on markets for goods and services, is called marketing.

Marketing research conducted to obtain information about foreign markets is more expensive and complex than the study of domestic markets. It consists of two large blocks: market research; research potential of the enterprise [5]:

- the first block "market research" includes the following aspects: study and analysis of market conditions, demand, proposals, analysis of customer requirements to the product; the prospects for market development; the study of forms and methods of trade; study and evaluation of the activities of the companies-competitors; the study of enterprises buyers of the goods that they are interested in; the study commercial practices, transport, trade and political conditions; the study of movement of goods, etc.;

— the second block "research potential of the enterprise includes": analysis of economic activity of enterprises; analysis of the competitiveness;

— analysis of competitiveness of the enterprise;

— evaluation of its potential competitive opportunities.

The study of foreign markets is used the traditional methods and tools. However, it has its own specificity which is determined by the object of research.

In addition to the considered used and such methods of study of foreign markets, as a method of test sales, support personal business contacts with representatives of foreign firms and others [6].

Marketing research conducted on foreign markets is different the domestic market. These differences are:

— the difficulty of obtaining the primary information;

— lack(or absence) of secondary information;

— significant cost of conducting field research;

— the need for coordination of research on the markets of different countries.

Marketing research is carried out by the enterprise itself or to order a specialized marketing firms. To marketing research to be effective, they must be

conducted systematically and to cover as many sources of information [4].

Environmental analysis marketing and related market provides an opportunity to identify system problems of international marketing which are an integral part of strategic marketing programs.

Objectives of international marketing due to the general objectives of the company, including in the external sphere.

We can distinguish the following groups of tasks:

1) tasks that are characterized the position of the enterprise on the market (certain provisions of the market turnover, the development of new markets);

2) production (efficient using resources, productivity);

3) return (target yield);

4) financial (credit capacity, liquidity, capital structure);

5) social issues (the situation of workers and others);

6) providing and maintaining the company image.

Directly challenges of international marketing are the specification of the first group of the general objectives of the enterprise. This is the provision of a target market and reaching traditional and new markets, increase sales (purchases), demand generation, sales promotion and so on.

For the successful implementation of the tasks the company develops various marketing strategies coverage of markets and market segments, competition, access to new markets, markets with a new product, targeted, market demand, trade policy, and so on.

Its content depends on the overall strategy of the enterprise, including in the field of foreign trade.

The basis of planning to enter foreign markets is the optimum method for its penetration into these markets. In modern conditions has developed three main ways to enter foreign markets:

1) Creating your own link marketing to target foreign markets. This method, along with the function of marketing allows you to become familiar with particular specific markets, working conditions of market. However, it is costly and can be profitable if the company has significant sales of products that allow we to recoup the cost of creating a private link sales.

2) The use of link sales abroad. This method allows the use of independent resellers. It is particularly desired when the enterprise into new markets when private link sales have not created if its creation is ineffective. The work of sales staff requires consideration of several important issues, such as the transfer of authority for the export of the goods, compensation, responsibility for implementation, etc. All of these issues are negotiated contracts trade and intermediary operations.

3) The way to enter foreign markets by creating your own production of goods abroad (joint venture, subsidiaries and others). This method is best when the market for enterprise perspective and the production of goods can provide tangible economic benefits due

to savings on transport costs, customs duties, non-tariff barriers, use of skilled but cheap labour force, proximity to sources of raw materials, etc.

Organizing the access to foreign markets therefore, the company can significantly improve the efficiency of foreign economic activity.

However, it is necessary to know the conditions of activity at such country, its legislation.

Based on research, evaluation and selection of foreign markets, developing product, pricing, marketing and other policies, that is, measures of the marketing mix included in the strategic marketing program.

Future specialists in the field of foreign trade and those who are engaged in this activity, it is strongly recommended that a deeper acquaintance with the main objectives and benefits of the use of marketing in the management of foreign economic activity, because:

1) international marketing arms the company-subject of FEA by clear programme of action;

2) marketing support of foreign economic operations management enables the company to satisfy the requirements of a specific foreign markets, specific consumer trends and prospects of their development. And at the same time to influence these markets in a favourable direction.

Unfortunately, domestic enterprises are still insufficiently used in international marketing in management of foreign economic activity. It is obvious that a more active participation of Ukrainian enterprises-subjects of foreign economic activity in this activity would significantly improve the quality of management of foreign economic activity, to strengthen their position in foreign markets [5].

To ensure high efficiency operation at the international level, the company has to continuously monitor market by conducting market research. Thanks to the information obtained as a result of these studies, managers have the opportunity to react quickly to market changes and take appropriate managerial and marketing solutions [6].

So, going into the international market, firms need to conduct research and take into account the particular economic, political, legal, cultural environment. The main tasks of the office of international marketing learning environment of international marketing (customers, competitors, legal norms, customs, traditions, accepted standards activities, advertising, placement, and so on); the rationale of the foreign market (today's opportunities, benefits in the future); the identification and study of specific markets, which is planned to be released; the development of methods of foreign economic activity and its corresponding organization; creation of marketing services [6].

Marketing is an intermediate on the path information between the enterprise and the consumer. If marketing using appropriate methods and tools correctly interprets the characteristics of market processes, the market will be focused on the needs of consumer products [7].

So, we can see that to achieve success in the foreign market it is necessary to develop an entire marketing system, each component of which is important. For clarity, we can depict the marketing

system of the company, which should effectively act on each company that has a foreign trade (fig. 2). See all the above tools marketing system mentioned above in relation to each other.

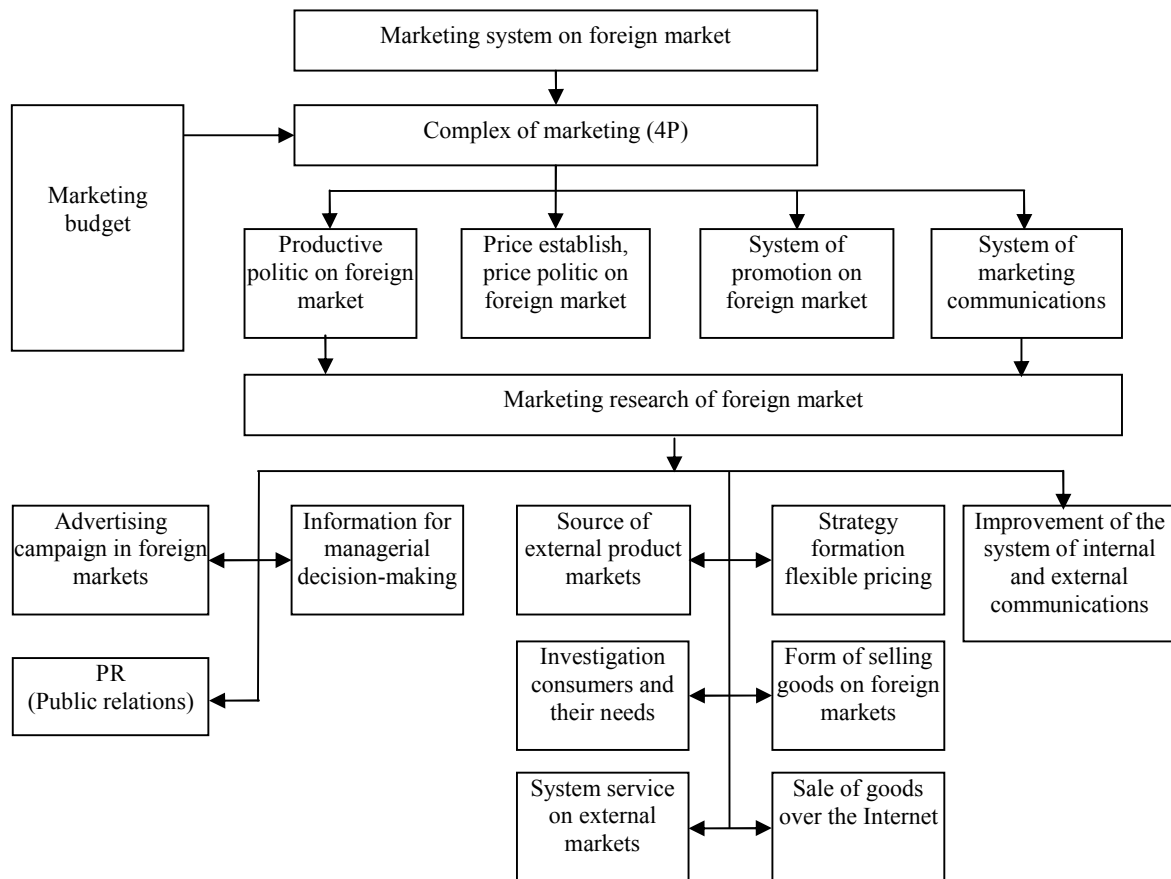


Fig. 1. The marketing system of the company

Source: developed by author

## Conclusions

Marketing tools should always be used together. They should not be separated. The shortcomings of regulation may lead to a weakening or complete neutralization of the impact of any tools. Harmonization of policies in the field of pricing,

public relations work with goods and merchandise based on the target group can form a reasonable and effective marketing policy. Solving the problem of marketing mix, we can create an acceptable combination of marketing tools.

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