

The essence and peculiarities of the development of industrial marketing in Ukraine

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Abstract - In article the nature and meaning of industrial marketing in market conditions are determined. The main differences between consumer marketing of industrial marketing are systematized. Prerequisite for the development of industrial marketing in Ukraine are identified.

Key words - Industrial marketing, industrial market, consumer marketing, need, demand, marketing activities.

I. Introduction

Today the topical trend in the activity of industrial enterprises is the marketing orientation. It is a must in the modern market conditions to “survive” in the severe competition.

At this market conjuncture, a special attention should be paid to the development of industry, which is strategic importance to the state. It is worth noting that economic interest concerning the industry revival is determined by the internal needs of Ukraine.

The organization of production and sales on the basis of marketing principles and methods with a clear focus on market demands and satisfaction of consumers' demand contributes to the solution of the topical industrial-economic issues associated with the saturation of the domestic industrial market. Implementation of these tasks is impossible without increasing the use of the industrial marketing.

II. Analysis of recent research and publications

Analysis of recent research and publications. The study of problem industrial marketing work of many ukrainian and foreign scientists devote, including I.M. Akimova, V.G. Gerasymchuk, A.I. Kovalev, E.V. Krykavskyy, S. Minnett, A.A. Novikov, N.I. Chukhray, A.O. Starostina, A. S. Teletov. They disclosed in detail the nature and features of industrial marketing, but did not determined its importance in the economic development of Ukraine and feature of marketing activities of ukrainian industrial enterprises.

III. Page Setup

Speaking about industrial marketing it should be noted that this is a new instrument of the effective management organization of the industrial enterprises, the elements of which are studied and actively used in Ukraine quite recently. Indeed domestic industrial market is now in a stage of dynamic development.

As the industrial market is the largest and most important component of any county's economy, the

necessity and importance of its research with the use of the main methods and principles of the industrial marketing are occurred.

Industrial marketing is the sale of goods and services to industrial and institutional customers, i.e. the market, which includes natural and legal persons who buy goods to be used in the production process, resale, or services or for renting. It is a total of all kinds of activities related to the marketing of goods and services in the industrial market [1].

The term “industrial market” is largely historically determined. A reason for such a view is related with the fact that initially the industrial marketing developed exactly as marketing of industrial products. Today, the terms “business market” and “business-marketing” are more often used because the industrial market includes other structural components [5]. There are trade, information, financial, social, and innovative exchanges on the industrial market and each of these exchanges has its own elements and functions.

To realize the industrial marketing in practice, it is necessary that the company would change the philosophic concept of industrial-commercial activity and transform from the traditional orientation to market demands. These two strategic orientations reflecting the essence of the industrial marketing are closely linked [3].

However, in the transformational conditions of the manufacturer market to the consumer market, which can be seen in most industries, an appropriate outlook on the role, place and nature of production and commercial activity in the socio-economic positions is required.

The object of the industrial marketing study is the industrial market and its actors. The subject of the enterprises marketing activities in the manufacturing and industrial services is aimed at meeting the needs of market participants.

Fundamental differences between industrial marketing and consumer marketing consist on the nature of demand for consumer goods and products of industrial purpose. Demand for consumer goods has the primary character, and demand for industrial goods - secondary. Secondary demand is connected with the fact that the level of their sales (consumption) depends on the sale level of consumer goods (consumption) [4]. So, all the reasons for changes in the trends on industrial markets should be found on the consumer markets. Industrial and consumer markets are interrelated and interdependent.

Other features of the industrial marketing can be selected: as a rule, large volumes of purchases; more technically sophisticated products; higher risk of the buyer; the longer time of purchase; the more complex process decision; professional buyers; a closer relationship between the buyer and the seller; a derived demand and mutual influence.

An important part of marketing in the industrial sector is the formation of a program to output goods to the market. It includes: the development of multiattributive model of product promotion; defining the approach to formation of goods image, primarily in the coordinates of «price-quality»; defining of the planned relative

usefulness of the goods in comparison with analogues or substitutes [2].

Promotion of the brand or product among professional wholesale companies depends primarily on the number of tool sets and the maximum amount of assistance in the work of a dealer company. The most effective instruments in promoting the brand, provided production or exclusive supply, are: own trade marketing, sales service, training of sellers about positioning and brand history, general advertising and PR, POS materials, the system for the sales control.

Analysis of the marketing evolution in the transformation process from the centralized control system to the market economy shows that the industrial marketing development needs a number of objective reasons which include:

- existence of the consumer market, where the goods supply exceeds the demand and the consumer can independently realize his own choices;
- existence of a developed competitive environment and a relatively low level of monopolization of economy;
- regulation of prices for most goods and services at the enterprise level; the independence of enterprises in making decisions on production and sales of goods and services;
- existence of well-developed infrastructure which is necessary for the implementation of effective marketing activities.

One of the major conditions for industrial marketing is the existence of demonopolized consumer market. The main principle can be formulated as: business unit (i.e. a company) may improve the results of its activities only by satisfying consumer needs more perfectly than the company-competitor's methods.

However, a number of factors prevent the implementation of effective marketing activities of industrial enterprises in the existing economic situation. The most important among them are:

- low level of competitiveness of the majority of industrial products manufactured by domestic producers;
- slow transition of these enterprises on production of new types of goods; a considerable lag of the technical level of certain industrial goods from the world's goods-analogues or even their liquidation;
- lack of coordination of industrial products with international standards and modern requirements to quality;

- apartness from participation in promising research programs for output of the newest industrial goods on the international cooperation conditions;

- the decline in the state scientific and technical infrastructure, financial instability and underdevelopment of the information infrastructure;

- lack of stable legislation and certainty on the conditions of business entities etc.

Conclusion

Thus, studies show that the provision of development of market relations and stable growth of the indicators of industrial enterprises activity requires the use of a professional approach in the issue of expediency of the industrial marketing introduction as an integrated system, while it takes a secondary position in the sector of Ukrainian economy.

Now on the Ukrainian market it is impossible to clearly determine the development tendency of industrial marketing because it is not practically used at the enterprises in its modern sense. Only some of its ideas and directions are used. Besides effective marketing activities of enterprises can be carried out only provided that the whole administrative staff of the company and all workers engaged in the production and delivery of the goods to the consumer will work together.

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