

MARKETING AND LOGISTIC SUPPORT OF UKRAINIAN REGIONAL MARKETS FOR INNOVATIVE PRODUCTS DISTRIBUTION

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Abstract

The integrated assessment of marketing support and level of logistics potential of Ukrainian regional markets according to the proposed structure is carried out. The study was carried out by determining the essence of marketing resources and logistics potential of regions that, as a result, reflects their focus on the formation of an effective policy of distribution of innovative products of industrial enterprises. A matrix that reflects the grouping of Ukrainian regions in zones with balanced and unbalanced levels of appraisal indicators is provided.

Key words: marketing support, logistics potential, region, distribution of innovative products

Introduction

Current business situation indicates that the construction of an efficient marketing policy of distribution of industrial enterprises is one of the most important factors of improving its competitiveness. The essential is the need to evaluate the marketing support and logistics potential of regional markets because of its continuity and sustainability are the foundation that promotes economic growth of industrial enterprises and the development of integration processes within the region and the country as a whole. In this context the results of analysis and evaluation are especially important in the development of the distribution system of the enterprise in the market of innovations. Such actions will not only improve the efficiency of distribution processes, taking into account all the advantages, and will reduce (or mitigate) the possible disadvantages. All this will ensure a full compliance of the distribution system to the region's requirements and features and thereby reduce the riskiness of the innovations' distribution and increase its validity and effectiveness.

Theoretical and methodological issues of evaluation of marketing support and logistics potential of regions have been investigated by such scientists as: Baranowskia S., Buskoa E., Shishloa S., Usevich W. [1], Bezrukova T., Sapronov E., Morkovina S. [6], Dubnitsky V., Danilina N., Lunina V. [12], Kaynova T. [13], Koblianska I., Rubalko N., Mishchenko O. [14], Kovalska L., Savka B. [15], Kuznetsova N. [16], Merzlikina G., Kachapkina Yu. [17], Oklander M. [18], Oleksyuk O. [19], Pankrukhin A. [20], Rakhmangulov A., Kopylova O. [21], Rodymchenko A. [22], Rozhko O. [23], Romat Ye. [24], Starostina A., Martov S. [25], Freidman O. [26], Zuraimi A., Yaacob M.,

Ibrahim M. [5], Sholtisek Ya. [4] et al. However, insufficiently studied are approaches to the assessment of regions in the formation of marketing distribution policy of innovative products of modern enterprises. Therefore, the aim of this research is the integral evaluation of marketing and logistics support in the regional markets of Ukraine as the basis of formation of an effective distribution policy of industrial enterprises.

1. The assessment of the marketing resources availability of Ukrainian regions

According to the authors, the marketing support should be assessed on the basis of marketing resources. To the marketing resources, the authors include the means of enterprises that allow creating an effective system of creation the ideas and goods (services), their pricing, promotion, distribution, which promote the entity's image and customer loyalty. In other words, it is a complex of interrelated and interdependent tools that are available and aimed at the production of those goods (services) that provide value to customers and can satisfy their needs at a reasonable price, and at the same time generate the long-term profits for producers.

In [3] we investigated the components of the marketing resources availability of the regions according to the proposed set of indicators. Thus, on the basis of statistical data in each region of Ukraine, their levels are analyzed. On the basis of the obtained results an integrated assessment is provided (Table 1).

Table 1. Rankings of Ukrainian regions by the level of provision with marketing resources

Regions of Ukraine	Rankings (by separate components of marketing resources)						General ranking ***	Integral ranking
	Scientific and methodological base	Specialized software packages	Base of existing / potential customers and business partners	Market position	An application at industrial enterprises of advanced technological achievements and the level of industrial property protection	The generated image		
Vinnitsia	16	13	12	19	10	18-20	88-100	15
Volyn	25	24	24	23-24	23	11-12	130-132	25
Dnipropetrovsk	3	6	7	5	3	2-3	26-27	3
Donetsk	4	9	6	2	4	4	29	4
Zhytomyr	24	15	11	18	14	21	103	17
Zakarpattia	23	25	25	15	16	10	114	19
Zaporizhzhia	9	4	3	4	5	8	33	6
Ivano-Frankivsk	11	8	5	7	12	18-20	61-63	8
Kyiv (city)	1	2	1	3	1	1	8	1
Kyiv	20	10	15	11	13	5	74	12
Kirovohrad	17	18	18	16	22	25	116	20

Luhansk	7	14	16-17	13	8	13-15	71-74	10
Lviv	6	3	4	6	6	7	32	5
Mykolaiv	13	5	8	14	11	11-12	62-63	9
Odesa	5	7	10	12	7	6	47	7
Poltava	10	21	19	9-10	9	9	77-78	13
Rivne	14	22	23	23-24	21	13-15	116-119	21
Sumy	8	16-17	9	8	15	16-17	72-74	11
Ternopil	18	19-20	14	21-22	17	22-23	111-114	18
Kharkiv	2	1	2	1	2	2-3	10-11	2
Kherson	22	12	20	21-22	20	24	119-120	22
Khmelnysk	19	11	13	17	25	16-17	101-102	16
Cherkasy	12	23	16-17	9-10	18	13-15	91-95	14
Chernivtsi	15	19-20	21	25	24	18-20	122-125	24
Chernihiv	21	16-17	22	20	19	22-23	120-122	23

Source: own elaboration.

Table 1 presents an integral ranking of the marketing support level of regional markets of Ukraine. According to the ranking results the leaders are the Kyiv (city), Kharkiv and Dnipropetrovsk regions (Table 1, lines marked in bold), the outsiders are Volyn, Chernivtsi and Chernihiv regions (Table 1, lines marked by shading).

2. The assessment of logistics potential level of Ukraine's regions

According to the authors' vision, region's logistic potential is a set of existing and potential elements and factors of the logistic infrastructure that are involved in the formation and distribution of material and related concomitant flows. It should be noted that the formation and use of such potential is intended to ensure the timely and efficient transfer of logistic resources at a minimal cost.

In [2, 7-11] we investigated the components of the logistics potential of the regions according to the proposed set of indicators. Thus, on the basis of statistical data in each region of Ukraine in 2010-2015, their levels are analyzed. On the basis of the obtained results an integrated assessment is provided (Table 2).

Table 2. Rankings of Ukrainian regions by the level of logistics potential

Regions of Ukraine	Rankings (by separate components of logistics potential)							General ranking***	Integral ranking ^o
	Transport potential	Human resources potential	Consumer and sales potential	Service potential	Spatial potential		Transit potential		
					1*	2**			
Vinnitsia	7-8	17	13	11	5	15	6	74-75	10
Volyn	18-19	16	20	21	16-17	16	20	127-129	21
Dnipropetrovsk	1	3	2	2	8	2	3-4	21-22	1
Donetsk	3	7	3	3-4	21	3	2	42-43	5
Zhytomyr	11	20	19	19-20	7	13	13	103-104	13

Zakarpattia	24	13	23	18	19	10	23	130	22
Zaporizhzhia	7-8	8	6	8	20	8	9	66-67	9
Ivano-Frankivsk	25	12	14	14	23	14	22	124	18
Kyiv (city)	5	1	1	1	18	1	1	28	2
Kyiv	13-14	6	5	7	2	5-6	8	46-48	6
Kirovohrad	18-19	25	16	16	9	24	17	125-126	20
Luhansk	9	9	10	12	14	9	15	78	11
Lviv	6	5	9	5	11	7	7	50	7
Mykolaiv	17	11	12	9	24	12	18	103	12
Odesa	4	2	8	3-4	4	4	3-4	28-30	3
Poltava	10	10	7	10	1	11	10-11	59-60	8
Rivne	21	23	21	17	15	17	10-11	124-125	19
Sumy	16	19	15	23	10	18	14	115	15
Ternopil	22	18	24	24	25	22	21	156	25
Kharkiv	2	4	4	6	6	5-6	5	32-33	4
Kherson	20	15	22	13	22	23	16	131	23
Khmelnysk	12	21	18	19-20	13	20	19	122-123	16
Cherkasy	15	24	11	15	12	19	12	108	14
Chernivtsi	23	14	25	25	16-17	25	24	152-153	24
Chernihiv	13-14	22	17	22	3	21	25	123-124	17

* - according to the components of the transport and geographical position;

** - without taking into account transport and geographical position;

*** - calculated as the sum of ratings for each indicator.

Source: own elaboration.

According to the results of the study, Kyiv (city), Dnipropetrovsk and Odesa regions have the highest level of logistics potential (Table 2, lines marked in bold). This, in our opinion, will contribute to more effective planning, organization, regulation and control of products and services delivery from producers to consumers in these regions. Moreover, the formation and implementation of economically feasible marketing logistics measures for enterprises that form or extend the distribution system, will help the manufacturer of innovative or existing products to establish long-term, mutually beneficial and reliable links in distribution channels. On the contrary, Ternopil, Chernivtsi and Kherson regions (Table 2, lines marked by shading) have the lowest level of logistics support that needs to be raised, for example, by developing the human resources potential by which these regions occupy 18, 15 and 14 respectively in ranking.

3. The matrix of grouping the Ukrainian regions by levels of marketing support and logistics potential

According to the results of the research, we propose to construct a matrix that reflects the grouping of Ukrainian regions in 7 zones by levels of marketing support and logistics potential (Figure 1).

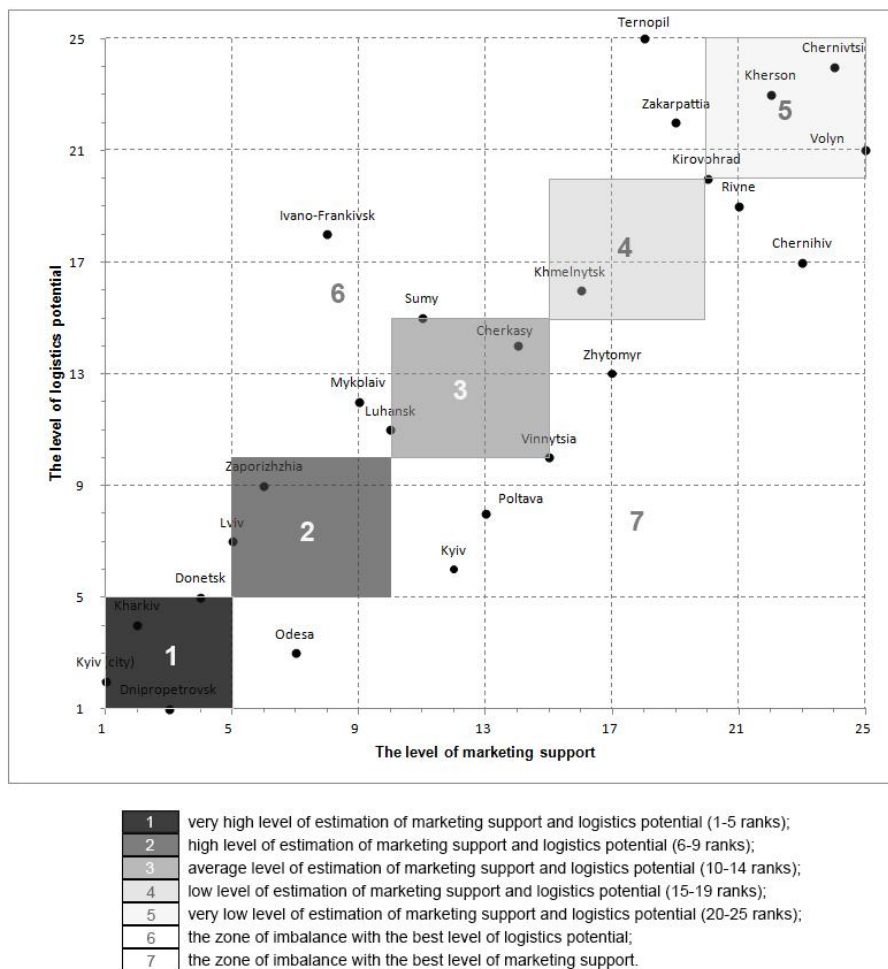


Figure 1. The matrix of grouping the Ukrainian regions by levels of marketing support and logistics potential
 Source: own elaboration

In this case, zones 1-5 are areas with balanced levels for both estimated indicators, and zones 6-7 are unbalanced areas with better positions for marketing support or logistics potential (accordingly). Zone 1 combines the best rating indices; it consolidates the leaders of the rating assessments. The zone is determined by the coordinates [1; 5] on the X axis (the level of marketing support) and the [1; 5] on the Y axis (the level of logistics potential). Accordingly, Zone 2 is limited to the coordinates (5; 10) on both axes; Zone 3 – (10; 15) on both axes; Zone 4 – (15; 20) on both axes; Zone 5 – (20; 25] on both axes. According to the developed matrix, Kyiv (city), Kharkiv, Dnipropetrovsk and Donetsk regions

are leaders; Volyn, Chernivtsi and Kherson regions are outsiders for both evaluation criteria. Zaporizhzhia and Lviv regions are in the zone with a high level of marketing support and logistics potential; Luhansk, Vinnytsia, Sumy and Cherkasy regions – are in the zone with an average level, Khmelnytsk and Kirovohrad regions – are in the zone with a low level. As we see from the evaluation results, Ivano-Frankivsk, Mykolaiv, Zakarpattia and Ternopil regions have an unbalanced condition with the best level of marketing resources support; and, on the other hand, Odesa, Kyiv, Poltava, Zhytomyr, Chernivtsi and Rivne regions – have an unbalanced condition with the best level of logistics potential. This situation has developed since the criteria for evaluating these regions are essentially diversified with a priority for one homogeneous group. For example, Odesa region ranks 7th in terms of marketing support, and 3rd in terms of logistics potential; Ternopil region ranks 25th in terms of logistics potential and 18th in terms of marketing support. Ivano-Frankivsk, Ternopil and Kyiv regions are characterized by the greatest disharmony in the development of indicators of the marketing support and logistics potential. In order to ensure the effective distribution of industrial products by domestic enterprises and the effective management of distribution channels, it is necessary to consider the potential risks associated with the development disproportions of Ukrainian regions or their low development levels. In other words, the development or improvement of existing marketing distribution policies should take into account the results of investigation of logistics potential and marketing support, as it will reduce the commercial and other risks in the interaction with contractors and partners while organizing the sales of new and existing products, entering new markets etc.

Thus, the study of the availability of marketing resources and identification of the development level of region's logistics potential makes it possible to determine the marketing support and logistic status of the territory at any level (a city, a region or a country). It also promotes the evidence-based diagnosis and the construction by industrial enterprise of an effective distribution system of innovative products within the study region, the search of new participants of distribution channels etc. In the future, it can positively affect on the formation of the regional supply chain as an integral component that ensures the quality of logistics services.

Conclusions

The generalization of the above allows to provide the following conclusions:

- the economic essence of marketing support and logistics potential of the region is specified. This develops the theory of marketing logistics and regional economics;

- using the proposed components of marketing resources support and logistics potential, an integrated assessment is provided and ranking of Ukrainian regions is made. This creates a basis for formation of an effective

innovative products distribution system and provides the ability to purposefully manage the logistics processes of the industrial enterprises in the region;

- the matrix of grouping of Ukrainian regions according to the estimated indicators of marketing support and logistics potential is formed. The matrix allows to define areas with balanced and unbalanced developmental levels;

- the obtained results can be laid in the basis of methodological and informational support of the distribution management system of innovative products.

The results of the research significantly deepen the theoretical and methodological foundations of innovation management in terms of distribution the innovative products. Further research should be aimed at the accumulation of statistical data for the construction of econometric models that characterize the dependence of the effectiveness of the innovative products distribution on the level of logistics potential and marketing support of the relevant Ukrainian regions.

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Acknowledgements

The publication contains the results of studies conducted within the project «The development of a mechanism of commercialization of innovative products» (0118U003572).

Illiashenko S. Marketing and logistic support of Ukrainian regional markets for innovative products distribution / S. Illiashenko, O. Bilovodska, O. Gryshchenko // International Marketing and Management of Innovations. – 2018. – № 3 [Internet source]. – Access mode: <http://immi.ath.bielsko.pl/2018/05/16/marketing-and-logistic-support-of-ukrainian-regional-markets-for-innovative-products-distribution/>