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COMPARISON OF BUSINESS ENTITIES IN THE AREA OF TRADE PROCESS

Summery

Object. The object of this article is studied and comparative analysis of the principles and nature of the businesses that operate in organization (promotion) trading processes.

Methods. The research methods used theoretical generalization and comparison (to determine undertakings trends in their development and main characteristics of activity), systems analysis (to highlight fundamental features comparison of business entities in the field of trade processes), analysis and synthesis (to describe the subjects of commercial Activities on certain grounds).

Results. In the course of the study identified four types of entities that operate in the field of commercial processes, the definition of each, analyzes recent trends in each study subject. Comparison revealed fundamental features, which are analyzed and made a comparative analysis of entities in the sphere of trade processes. The result revealed common features of the analyzed entities,

Scientific novelty. Grounded author's position on the selection of the conceptual apparatus of economic categories investigated problem. The basic causes, factors and features of quantitative and qualitative parameters of commercial business enterprise. Highlight important features for a comparative analysis of the objects of study in order to harmonize the elements of domestic market infrastructure in line with European standards. Reveals trends, disparities and contradictions that emerged in the area of trade during the process of reform.

The practical significance. These results clearly understand the principal features of the specific subjects of commercial enterprises to better use of features to improve the efficiency of each of the identified objects of research and development of trade infrastructure in general.

Keywords: trade business, commodity exchanges, agricultural products wholesale markets, shopping centers, markets (local markets).

Statement of the problem. Ukrainian government since the early years of independence declared its readiness to engage in an objective process aimed at convergence and merging of national economic systems, in base of which is economic interest of businesses and the international division of labor. In December 2005, Ukraine was awarded the status of a country with market economy. Thus, the international community has recognized that in our country, which in 1991 announced its intention to build and develop a system of relations under the laws of socially-oriented economy, sufficiently were conducted the necessary market reforms . Thus, the Ukrainian government has created a basis for the development of a national market economy and for the equitable entry into international economic integration space. However, the improvement of economic situation in the country is impossible without the study of relations between actors of the market economy. Especially this issue becomes relevant in terms of harmonization of infrastructure in national and global markets.

Analysis of recent research and publications. A lot of Ukrainian (V.V Apopiy, O.M. Azaryan, I.O. Blank, N.O. Vlasova, N.O. Holoshubova, B.V. Hryniv, L.I. Donets, L.O. Lihonenko , A.A. Mazaraki etc.), Russian (D.E. Davydyants, L.P. Dashkov, V.K. Pambuhchyyants etc.) and foreign (R.K. McConnell, S.L. Brue, B. Berman, D. Evans, etc.) scientists are involved the problems of development and operation of commercial enterprises as business entities, but not all of them are distinguish and define in detail business entities in the sphere of organization of trade and examine in detail the specifics of their activities.

Statement of the problem. The purpose of this study is a comparative analysis of the characteristics of the organization and activities of the various types of business entities in the sphere of organization (promoting) of trade processes - commodity exchanges, wholesale markets, shopping malls and markets (local markets). Relevance of definite problem, incomplete degree of its scrutiny, the presence of a considerable number of controversial issues concerning the expansion of market reforms and of institutional- evolutionary changes in social

infrastructure, including the areas, that provide quantitative and qualitative characteristics of the labor potential, define purpose, objectives, object and purpose of the study.

The main material. Define the term "market" as an economic category is very difficult. Let to classics of economic thought, which made the focus, primarily, to the market as a system of relations, mechanism, a form of organization of relationships:

market - is a set of relations between parties to an exchange which are closely related to each other through various means (R. Barr).

market - is a mechanism that brings together buyers and sellers of separate goods and services (K. McConnell, S. Brue.).

market - is a way of organizing economic relationships among economic agents about sharing the various benefits through the sale (J. Robinson).

The conditions of normal development of the market include:

- Equality of all forms of ownership;
- Economic freedom and independence of business entities;
- The existence of competition;
- Availability of information;
- The existence of a developed market infrastructure.

Thus, one of the conditions of normal operation of the market is the existence of a developed market infrastructure. Market infrastructure - a set of organizational and legal norms, mediating movement of goods and services, acts of sale, or set of institutions, systems, services, businesses that cater to market and perform certain functions to determine the normal mode of its operation. It includes organizational, financial, information and loan accounting basis, the main function of which is smooth and efficient market development. The major direction of rationalizing the market behavior of economic entities is purposeful shaping of organizational component that provides acceleration and facilitating the sale of goods. This is, first and foremost, organizations whose main purpose - to create the conditions for meeting buyers and sellers and implementation by them of the act of sale on mutually beneficial terms.

Each type of the market has its own infrastructure. Thus, to the infrastructure of the consumer market are commodity exchanges, trading houses, fairs, exhibitions and fairs, businesses of wholesale, retail and wholesale and retail trade. In the Ukrainian realities the support of organizational base of market structure is carried out primarily by such entities as exchanges, wholesale markets, shopping malls and markets (local markets). They are the

representatives of businesses in the sphere of organization (promoting) the trade processes in wholesale and retail commodity circulation link [1] and have specific features that gives them the opportunity to master own share of market business environment, but their development trends are much different. Consider each of these subjects and give them a brief characteristic, including the dynamics of their development.

One of the most important objects of market infrastructure is a stock exchange, in particular commodity. Under current law, commodity exchange (en. commodity exchange) - is a constantly active wholesale market of pure competition, on which occur, according to certain rules, agreements of the sale to a quality homogeneous and easily interchangeable products. Following to the institutional approach to determining the economic categories, commodity exchange can be defined as an organization that brings together businesses and individuals that conduct industrial and commercial activities. This business entity doesn't use the commercial mediation and not intended for profit, its purpose - is providing of services in concluding of exchange transactions, identifying of commodity prices, demand and supply to the products, of exploring, organization and facilitate turnover and trading operations, related with it.

The mechanism of exchange market is constantly evolving, while remaining the most efficient means of accumulation and redistribution of commodity and financial resources, a reliable source of market information etc.

The prototype of commodity exchange is considered a permanent meeting place of merchants, that was based in Bruges (the Netherlands) in the building Börse (1409). The first organized commodity exchange was established in Antwerp (1460). Later commodity exchanges have appeared in other European cities (Amsterdam, London, Lyon, Toulouse, etc.) [2]. In the Russian Empire, which included also Ukraine, exchanges arose mainly in the grain trade centers. On the Ukrainian territory, trades were carried out on the 11 commodity exchanges (Kyiv, Kharkiv, Odessa, Kremenchug, Berdyansk, etc.). In times of the Soviet Union exchange trading had ability for the existence and development only in a short period of NEP (New Economic Policy). Within 90 years of the last century, the total number of domestic stock exchanges reached 365 units (to the beginning of 2000). Among them, the largest share (40%) had commodity and Commodity Exchange [3].

Commodity Exchange - wholesale, regularly functioning market where occurs the trading of goods by sample or standards, in which is the list of required attributes (quality, sorting etc.). Currently, in the commodity exchanges in the world is sold about 100 so-called exchange-

traded products. They accounted for about 20% of international trade. [4] These products can be broadly grouped into the following groups: - energy raw materials, non-ferrous and precious metals, grains, seeds of oil crops and their recycling products, live animals and meat, food - flavoring products, textile raw materials, industrial raw materials.

Commodity exchanges are classified by such factors as:

- Type of commodities;
- The predominant type of effect the exchange transactions;
- The nature of the work (a form of participation of visitors in exchange trading);
- The level of specialization (nomenclature of goods - the exchange trading facilities);
- Place in world trade and the region of acting (field of activity);
- The principle of the organization (the state's role in creating of exchanges);
- Legal form of doing business.

It should be noted some features of stock trading in Ukraine. For example, Ukrainian commodity exchanges can be attributed to exchanges of closed type that makes them inaccessible to many small producers (farmers, small enterprises processing of agricultural products, production of consumer goods, etc.).

Exchange trading of goods and services - is a form of organized consumer market, the degree of ordering of which is displayed primarily in Law "On Commodity Exchange" (12.10.1991, amended and supplemented) and in trade rules. Commodity exchange acts on the base of self-government, of business independence, is a legal entity, has its own separate property, its own balance sheet, its own settlement, currency and other bank accounts, seal with its name.

The main functions of the Mercantile Exchange, which reflect the economic role of exchange trading in today's realities are:

- The organization of exchange fees for conduction the overt public auction;
- Development of exchange contracts;
- Identification and recording (quotes), price forecasting and pricing;
- Hedging (insurance of exchange with more than a century history);
- Playing at the difference of price (speculate operations);
- Exchanging arbitrage;
- Ensuring the implementation of exchange transactions;
- Possibility of investing the capital to the stock assets;

- Financing of participants of market relations in the field of stock trading;
- Providing members and clients of exchange the information and advertising and publishing functions.

All transactions undertaken on the exchanges involve the use of standard contracts. In commodity exchange there is always the possibility of buying or selling real goods, despite the fact that the current exchanges mainly include futures and options market. Thus, the possibility of delivering the goods on a stock warehouse or of receiving goods from the exchange has an important function in the due of the futures market with the market of a real product.

In the process of development of the global market economy the quantity of commodity exchanges in the world decreases. Simultaneously, goes the process of reducing the number of types of goods, that is a subject of exchange trading. If in the period of heyday of the exchanges to them addressed more than 200 kinds of products, at the present time - about 100.

According to statistics, in Ukraine there are more than 500 commodity exchanges: those, that show activity - about 300, those ones, that really work - only about 40 [5]. The main reasons of the decline of stock trading in Ukraine are in the sphere of government regulation of commodity circulation and exchange rates.

Most functions that are now performed by stock exchanges in the world, in Ukraine are not even fixed in the law "On Commodity Exchange," which was developed and adopted in the early 1990s. In regard with this, the Ministry of Economic Development and Trade initiates the improving of legislation base of the exchange market, which will significantly improve the quality of stock trading. For this was made a project of the Law "About Trademarks stock market", because Ukraine - virtually the only country in which there is no state regulation of commodity exchange market.

The Ministry believes that the main responsibilities of a commodity exchange are the ensuring of implementation of signed on it agreements and price monitoring. This rule is enshrined in the new draft law, which was prepared within the framework of the National Action Plan for 2013 to implement the program of economic reforms for 2010-2014 "rich society, competitive economy, efficient State". At this time, the draft law is aimed to the Ministry of Justice to obtain an expert opinion.

The subjects of trade enterprises, which operate in the sphere of wholesale trading, also include wholesale markets of agricultural products. This type of market relatively recently appeared in the Ukrainian trade and confidently took its segment - these markets were created

to increase the affordability of natural agricultural products to residents of large cities, and, at the same time, to creating conditions for farms and agribusiness for the implementation the part of their products at free prices which are set by supply and demand. [6].

Analysis of the agrarian market of Ukraine shows a rapid increase in agricultural production, in addition it is possible to in it identify the following trends:

- The large number of small producers who produce most vegetables, fruit, meat, etc.;
- Lack of focus producers on consumer needs;
- The dominance of the unorganized agencies that dictate the purchase prices for producers, making, thus, the multiple reselling of goods;
- Lack of an official, stable and mutually beneficial links in the chain "manufacturer - wholesaler - retailer - consumer";
- Significant annual, seasonal, regional price fluctuations in the agricultural products;
- Uncontrolled growth of spontaneous trade, increasing of shadowing circulation of goods and services.

Wholesale agricultural markets are classified according to the following criteria:

- By the territory;
- By the range of products sold (specialization);
- By ownership;
- By terms of their functions;
- By type of distribution of agricultural products;
- By the legal form.

Operation of wholesale agricultural markets will allow:

- To satisfy the needs of customers in quality, quantity and variety of agricultural products;
- To reduce the cost of consumers;
- To protect small and medium-sized producers, giving them an equal access to quality products at affordable prices;
- To increase the income of agricultural producers;
- To balance supply and demand, to reduce price fluctuations in the food market;
- Introduce quality standards in the production of agricultural products;
- to ensure the system of monitoring conditions of food markets;
- To bring domestic agricultural products to world markets.

At the Ukrainian market merchant services shopping malls - is something quite new, borrowed from the practice of commercial activities of European countries. There is a significant number of definitions that characterize shopping malls, the most accurate of these is the following: "The shopping center - is a combination of trade, services and entertainment, selected according to the concept that operate in a specially equipped room and are in the professional management as the only functional unit "[1].

Shopping centers are classified by the following features:

- By the country of origin concept;
- By the service area;
- By types of service that are provided.

Trends of the development of shopping centers in Ukraine are very rapid in recent years. In large cities, they begin to compete with the markets due to the repetition of their basic principles of operation (a combination of trade in various product groups, providing a wide range of services, leisure activities, etc.) to a new quality level and promote the transformation of market into modern trade and service centers.

To the subjects of Commercial Activities that operate in the retail trade are included shopping malls and markets (local markets).

Markets like entities (local markets) also function as an organizer of trade process in retailing. The current Ukrainian legislation does not define the market as an entity. Analysis of legislative acts [7, 1] shows that in 6 different sources are given different market definitions as an entity, that's why was defined author's approach to the legal definition of the market, which was proposed to the introduction in the draft Law "On Internal Trade ". The authors propose to market definition as follows - market - is a subject of business activity or its separate unit, which is a property complex that was established by the decision of local government organ or executive power in a specially designated land, the function of which is creating of appropriate conditions for sellers and buyers for the sale of goods and services at prices that are composed based on supply and demand.

From the legislation acts and opinions of scientists who study the operation of markets in Ukraine and abroad we can make a generalized classification of markets and allocate the following classification features:

- By the type of settlement;
- By the degree of concentration of trade and services;

- By the degree of economic independence;
- By the characteristics of the buyers;
- By the Scale;
- By the power;
- By the design;
- By the market trade profile (specialization);
- By the seasonality of market trading;
- By time work;
- By the degree of improvement;
- By the mode of operation;
- By the nomenclature and range.

Markets as entities engage the trade of goods FMCG - products of food, commercial accessories, clothing, footwear and other goods of household products, and also the related services - food, accommodation, small household services (repair of apparel, footwear, leather goods, etc.).

By these researches of results of the functioning of markets for the years 2006-2012 [8, 5] and other studies of Ukrainian scientists [9, 10], we can identify common trends of the development of the Ukrainian markets:

- Reducing the number of markets and shopping places on them;
- Increase the total area of markets and market areas designated for trading (trading area markets);
- Redistribution of the quantity of trading places between types of trading enterprises upward comfort of commercial procurement process;
- Increase of "non-trading" area in the markets - a situation where the total area of the market is growing and isn't growing (or is growing at a much lesser extent) a trade area of the market;
- The growth of "non-trading" area of trading places - a situation where is increasing the total area of trading place and isn't increasing (or is increasing at a much lesser extent) trade area of a trading place;
- Negative trend of distribution of Counterfeit, counterfeit and contraband products through its trade in the markets.

General comparative characteristic of all identified subjects of Commercial Activities is shown in Table 1.

Table 1 - Comparison of subjects of commercial Activities in the sphere of organization the trade processes.

Signs comparison	Name of objects of Commercial Activities			
	<i>markets (local markets)</i>	<i>Wholesale agricultural markets</i>	<i>trading malls</i>	<i>Exchanges</i>
The nature of activities	Organizer of trading process in the sphere of retail	Organizer and participant of the trade process in wholesale trade	Organizer of trading process in the sphere of retail	The organizer of the trade process in the sphere of wholesale trade
Features of the production cycle	Short due to the character of activities	Short due to the character of activities and object of sale	Short due to the character of activities	Short due to the expense of non-profit activities
The structure of business processes	Lack of business processes of procurement, warehousing, sorting, storing and selling			Is possible the presence of logistic business processes
Features of the process of formation the income	Sources of income - rental income + income from ancillary services	Sources of income - rental income + income from providing additional services + turnover	Sources of income - rental income + income from ancillary services	Sources of income - revenues from exchange services
Features of formation of the costs	High level of initial investment costs compared to the current level of expenditures for activities			
Features of warehouse of logistical base	Tough regulation of presence, composition and structure of logistics		Level of development of logistic base is controlled and regulated only by owner	Level of development of logistic base is regulated by specific of business processes

Features of the staff	The binary structure of staff - are available only managing and staff personnel	Staff structure is typical for commercial enterprises	The binary structure of staff - are available only managing and staff personnel
Availability of services of state control	Mandatory an attendance the services of state control in the course of trade		
Features of state regulation	Legislative restrictions profitability of leasing operations in the markets		Are characteristic for Nonprofits
Features of pricing	Government intervention in the pricing of rental services and extras services of the market and free pricing for sale items	Free pricing for rental and for services of shopping center, as well as for objects of sale	Free pricing for stock services and the installation of price and the definition of the objects of sale by way of quotation

Thus, data in this table show a very high degree of similarity of these entities, but at the same time they have very significant differences. Differences arise because of the particularities of nature each of them and because of the features of state regulation and control of the activities.

The data table shows that most similar are the local markets and wholesale agricultural markets because they relate to the same type of subjects and have many common features and principles of operation. The main differences between them are observed because the wholesale agricultural markets may carry their own trading activities, i.e. to act as independent commercial enterprises. In this case, at the wholesale agricultural markets arises an own turnover, which entails the other principle of formation of income, expenses and profits.

Also, there is considerable similarity between markets and shopping centers, as they are very similar in nature and content of their activity. Main content of activity of these subjects - is a providing rental services for business entities, which engaged in trading activities. Modern markets are moving in its development, are complicating in its structure and in the structure of the services they provide, and move towards becoming a modern trading and service

complexes. So malls are an improved form of markets, and the differences are caused by significantly less state control of the shopping centers.

The most specific subject of trading enterprises in the sphere of organization the trade processes are, in the opinion of the authors, commodity exchange. Despite the fact that this entity in legal terms refers to the markets, it has significant differences from the markets for nearly all specified criteria. Primarily, this is due to a multi-faceted role, which plays an exchange as an integral component of the wholesale trading and infrastructure in general. The uniqueness of this entity of trading business is also reflected in the possibility of movement and organization of activity in the sphere of e-commerce [11].

In today's realities it is impossible to avoid another global trend that becomes inherent for the sphere of the trade - the professional use of active social media to achieve business goals through content users [12]. This is, firstly, geotargeting (en. geo targeting), which is used in web development and online marketing as a method of providing meaningful information to visitor corresponding to his geographical location. Regional binding allows site to rebuild the content for different regions. For example, Google uses a regional binding to guide users (www.google.com) to specific domains of individual countries, and such substitution in IP is perfectly acceptable practice. Secondly, this is the integration of communication in social media with traditional online and offline tools to promote products and services. The presence in the online environment fosters a adjustment of dialogue between the user and the company as opposed to monologue, which is inherent to external, tele-, SEO, banner or contextual advertising. New trends and technologies should not bypass the business entities in the field of organization the trade processes and should be actively implemented into practice to improve the performance of their activity.

In autumn 2013 were created favorable conditions for the signing of the agreement with the EU on the Association Agreement and Free Trade [13] that, if implementation, has to determine a new course of foreign policy of Ukraine. This will push the Ukrainian government to acceleration the processes of reforming all aspects of public life, including the national economy. Thus Ukraine will confirm its intention under any circumstances do not turn from the way to European integration.

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