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Богацький Станіслав Олексійович Донецький університет економіки та права, м. Донецьк, Україна,
e-mail: bogatskys@gmail.com

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ПРОСУВАННЯ ОПТОВИХ ПАРТІЙ ПРОДУКЦІЇ ПІДПРИЄМСТВ**

Богацкий Станислав Алексеевич Донецкий университет экономики и права, г. Донецьк, Україна,
e-mail: bogatskys@gmail.com

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ПРОДВИЖЕНИЯ ОПТОВЫХ ПАРТИЙ ПРОДУКЦИИ
ПРЕДПРИЯТИЙ**

Bogatskiy Stanislav Donetsk University of Economics and Law, Donetsk, Ukraine,
e-mail: bogatskys@gmail.com

**FEATURES OF CONSTRUCTION OF MARKETING CHANNELS OF
PROMOTION WHOLESALE LOTSPRODUCTION COMPANIES IN THE
ECONOMIC TRANSFORMATION OF CHANGES IN UKRAINE**

Abstract

Objective. The objective of the paper is defining the ways of developing conceptual frameworks of wholesale business marketing and the following research related to defining the specifics of formation channels for promoting wholesale goods of domestic enterprises under transformational changes in the Ukrainian economy.

Research methodology. The method of analysis and synthesis was used (to clarify the meaning of the notion “marketing promotion channel”, to define the groups of limitations that influence the selection and formation of a specific marketing channel for wholesale sales promotion, to determine the functions of marketing channels for wholesale sales promotion, including innovation production at manufacturing enterprises and suppliers of wholesale goods; general scientific methods of research (analysis, synthesis, abstraction) – for revealing the essence of specified notions, for generalization the existing methods of selling and distributing goods and for detailing the aims and functions of distribution; systems analysis method – for determining the main restrictive factors affecting the choice and formation of a specific marketing channel for wholesale goods promotion and finding the routes of refining the turnover of goods).

Results. Basing on the conducted research, the following vector has been defined, according to which along with the development of the marketing concept under the modern conditions there should be the development of theoretical approaches towards understanding the process of forming marketing channels for wholesale goods promotion. This in turn enables a better understanding of internal and external factors impact on enterprises and working out appropriate marketing channels for wholesale goods promotion, in particular – innovative goods of industrial enterprise.

Scientific novelty. Theoretical and methodological approaches to the nature and process of formation of the wholesale marketing channels of supplying enterprises have been improved, which, in contrast to existing concepts are to allow forming more optimal channels for wholesale goods promotion and enable managing them entirely and efficiently: there has been defined a number of functions of marketing channels for wholesale businesses promotion that affect the formation of wholesale marketing channels for wholesale goods promotion.

Practical implications. The results are focused on the optimization of the formation and management of marketing channels for wholesale sales promotion of the enterprises operating in national economy under transformational market changes.

Keywords: wholesale goods promotion, wholesale enterprises, goods distribution, marketing channels, innovative goods.

Main body

There appear many new trends in the modern world due to the transformation of the economy into the market environment. For example, in Ukraine marketing concept is characterized by the declining role of the traditional element "goods" and the growing importance of the element "place". This phenomenon can be explained by the fact that marketing channels are the link between businesses and consumers of their goods, which are in the outside environment. Therefore, the necessary condition for securing the functioning of wholesale trade in the modern market economy is the creation of own marketing promotion channels, in particular this is relevant for companies that offer wholesale goods and need formation of wholesale promotion channels most of all.

We believe that the most universal definition of a marketing channel for goods promotion (a channel for movement of goods or a market channel) was formulated by E. A. Bilovodska [1, p. 48]. According to this definition, promotion marketing channel is a partially ordered set of intermediaries (retailers and wholesalers, freight forwarding companies) aimed at bringing fundamentally new or improved models of existing goods from a particular manufacturer to its end consumers. That is a system where goods and responsibility for them or their ownership is transferred from one level to the other (from one intermediary to the other), resulting in reaching the end consumer.

We believe that the choice and formation of a specific marketing channel for

wholesale goods promotion is affected by several limitations (defined basing on works [2,6,7,9] – see Table 1.).

Table 1 – Groups of limitations

Limitations	Explanations
1. Market-based	<ul style="list-style-type: none"> - market size; - market geography; - circulation of consumers on the given market; - consumer behavior on the market; - share of innovative products among consumers; - share of consumers who prefer goods, convinced of their necessity and / or those directly engaged in the purchase
2. Inside environment	<ul style="list-style-type: none"> - competitors; - suppliers; - consumers; - financial and credit institutions; - state authorities
3. Outside environment	<ul style="list-style-type: none"> - condition of the economy; - social and cultural factors; - political factors; - level of technology; - relations with the local residents; - international cooperation factors
4. Manufacturing enterprise	<ul style="list-style-type: none"> - size of the enterprise; - organizational structure; - mission and objectives of the enterprise; - experience on the market of a particular product; - financial capacities (financial stability, dependence on external sources of funding); - resource potential; - production capacity; - position on the market
5. Participants of the distribution channel	<ul style="list-style-type: none"> - behavior of marketing channel participants; - level of interaction between participants of a marketing channel; - level of interdependence of marketing channel participants; - traditions of a channel; - potential of conflict between the participants

6. Intermediaries	<ul style="list-style-type: none"> - presence and number of intermediaries; - level of dependence between intermediaries; - availability and quality of intermediaries' services; - cost of services; - their reputation on the market
7. Product	<ul style="list-style-type: none"> - level of the product's technological effectiveness; - focus on innovation (level of standardization); - cost; - durability / deterioration rate; - dimensions; - product uniqueness; - specifics of the product use
8.Sci-tech	<ul style="list-style-type: none"> - possibility of implementing new products / innovations; - readiness of channels for wholesale promotion of sci-tech progress
9. Ecological	<ul style="list-style-type: none"> - ecological properties of goods; - treatment of ecology-related issue by the channel participants
10. Innovating	<ul style="list-style-type: none"> - market readiness for innovation; - level of innovative activity of enterprises on the market; - possibility of promoting innovations to consumers

Exploring some aspects of building marketing channels for wholesale promotion [1,5,7,8] of goods made by domestic manufacturers, we believe that they perform a number of inherent functions that are aimed at increasing the customer value of goods and services, stimulating demand, using various methods of promotion (Table 2).

Table 2 - Functions of marketing channels for innovative products promotion

Functions	Content functions
1.Preparatory functions	<ul style="list-style-type: none"> - collection and analysis of the information necessary for making reasonable decisions concerning the movement of goods; - conducting market research; - negotiations between the participants of the marketing channel; - establishment and improvement of relations between partners cooperating in the wholesale turnover; - reconciling the interests of all participants in the distribution process; - product planning, i.e. consulting producers on consumer needs, dynamics of demand, place of products on the

	market, etc.
2.Functions associated with transactions	<ul style="list-style-type: none"> - informing all participants of the marketing channel of their rights and responsibilities, defining the powers of each of them, their field of activity and responsibility; - price formation (defining prices, extra charges and discounts and other terms of goods sale); - taking by the channel participants the business risk associated with the possibility of an unexpected decline in demand for manufactured goods (given the right of ownership)
3.Service functions	<ul style="list-style-type: none"> - increasing customer value of goods and services; - trade services offered to consumers; - goods promotion; - providing informational, industrial, commercial and other services to the channel participants; - management of goods sales promotion, informing wholesale buyers about goods; - maximum satisfaction of intermediaries and end consumers with a high level of service; - informing consumers about the expected level of service; - trade crediting of customers
4.Distribution functions	<ul style="list-style-type: none"> - purchase or receipt of goods for subsequent sale or transfer to customers; - receiving and fulfilling wholesale orders; - organization of the goods turnover; - distribution / sale of goods (wholesale) - communication with potential customers, goods promotion; - providing lines for physical movement of goods
5.Logistic functions	<ul style="list-style-type: none"> - organization of an integrated approach towards the processes of wholesale goods turnover; - selection of goods, i.e. forming the required assortment of commercial goods; - improving the appearance of goods, sorting, picking, separation of large quantities of goods for meeting the needs of consumers; - maximum preparation of goods for satisfaction of the customers' requirements; - standardization and quality control (inspection , verification , assessment of goods for checking their quality and variety); - accumulation and storage of trading stock;

	<ul style="list-style-type: none"> - transport of goods; - timely delivery of goods to the right place; - optimization of expenditures ensuring the distribution process; - increasing the convenience of the acquisition process (creation of shopping malls or virtual shops); - facilitating the process of purchase
6.Objective achievement functions	<ul style="list-style-type: none"> - financial – supporting the channel with funds sufficient for its effective operation; - achievement of set targets in the volume of sales and profits of all participants of goods wholesale turnover; - degree of satisfaction from purchase, level and form of service; - level of loyalty to the marketing channel; - share of the new-established contacts and share of the long-established contacts

We believe that the mentioned functions can be performed by different members of the marketing channel. If the manufacturer performs them, his costs are rising, and therefore the price of wholesale goods is also increasing. With the transfer of some functions to the intermediaries the selling price set by the producer can be reduced. The intermediaries in this case should take additional fee to cover their expenses. Which member of the marketing channel is to perform these functions and what are they – it is the question of assessment the relative efficiency and effectiveness of alternatives [4, p. 97].

Among the participants in the marketing channel, apart from producers and intermediaries, are the consumers themselves (together they make up the *audience of impact*), as well as *promoting organizations* who are not personally involved in the promotion, but encourage and facilitate this process by providing appropriate services. Promoting organizations can interact with producers or with intermediaries at different levels.

In carrying out the abovementioned functions there appear five wholesale goods flows among the participants of the marketing channel: information flows, flows of orders, physical flows (movement of goods), financial flows, flows of property rights.

Fig. 1 shows the entities of the marketing channel and flows that occur between them (in the direct marketing channel all flows "circulate" directly between a producer – a supplier of wholesale goods and a direct consumer of these goods).

Thus, the purchase of products takes place between three main subjects of the marketing channel: the producer, the intermediaries at different levels and the consumer. The consumers receive information about the product, its quality, methods of use, and price from the producers and / or the intermediaries. Consumers consider

and analyze the information, thereupon deciding whether to place an order or to refuse the goods.

Next, in response to the order producers and / or intermediaries supply consumers with relevant goods, having proper quality and quantity, at the set place at a negotiated price. Together with these goods end consumers of wholesale products are given the rights of their ownership. Accordingly, following the flow of goods producers and / or intermediaries are remunerated with a fee (in some cases cash flows are transmitted earlier than goods flows).

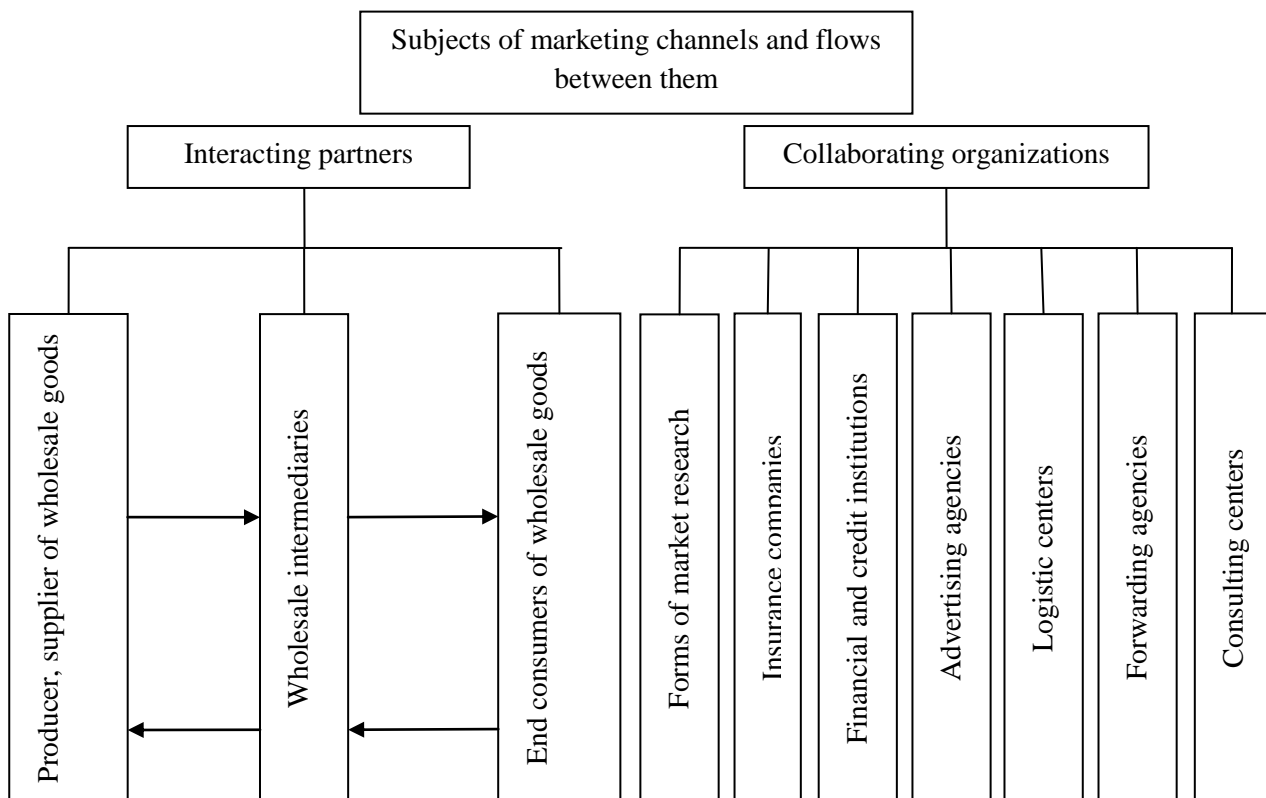


Figure 1 – Subjects of marketing channels and flows between them
(proposed on the basis of [4,7,8])

Both producers and intermediaries can interact with cooperating organizations. Cooperating organizations perform the following functions:

- search for information about possible competitors of existing marketing channels, distribution, intermediaries and consumers;
- advice on optimization of marketing channel structure, its length and width, the optimal number of intermediaries;
- providing funding for the formation of marketing channels and maintenance of their functioning;
- assistance in promoting innovative products through the marketing channel;
- insurance against risks related to the promotion of innovative products (risk of failure, slow growth of demand, etc.);
- assistance in the management of logistics operations;
- providing freight forwarding services.

Thus, the main conclusion of the study is the awareness of the need to develop marketing concepts; therefore it is important to development theoretical approaches to achieve profound understanding of the nature of marketing channels for wholesale goods distribution. This in turn will enable a better understanding of internal and external factors of impact and working out appropriate marketing channels. The mentioned activities will have a positive impact on the formation of optimal channels for wholesale goods promotion and will allow managing them entirely and efficiently.

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Date

Signature of the author (s)