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FORMATION OF MARKETING MANAGEMENT SYSTEM OF THE ENTERPRISE

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Abstract. In order to find out the level of effectiveness of marketing management and create an effective system, it becomes evident that a more in-depth study of the management of marketing activity as a process that occurs under the influence of a set of factors, which consideration can enable to better detect and solve existing problems, is necessary. *The subject of the study* is the theoretical and methodological foundations of management of the marketing activities of an enterprise and methods for evaluating its effectiveness. *The purpose of the study* is to build a system for managing marketing activities of an enterprise. In order to achieve the purpose of the study, the following tasks are set and solved: to substantiate theoretical and methodological foundations of the formation of the management system of marketing activity of enterprise, to specify components of this system, and to identify types of links between the components of the management system of marketing activity of enterprise and the factors influencing it and its efficiency, to determine composition of indicators of efficiency of marketing management system of enterprise. *Methodology.* The paper uses the following methods and approaches to research: marketing approach, abstract-logical approach used in the study of theoretical and methodological foundations of interaction management, analysis of theoretical approaches to the formation of a management system for marketing activities of enterprise, inductive and deductive (used in determining factors influencing the formation of a management system for marketing activities of enterprise), systematization and generalization (to clarify the concept of "marketing management"), methods of science abstraction (to form a system of indicators characterizing the efficiency of enterprise marketing management). *Results.* Most approaches to the formation of marketing management systems are of a procedural nature, that is, they focus only on the implementation of basic functions of marketing management, and in order to determine the effectiveness of marketing activities of enterprise, the indicator that characterizes the ratio of costs to marketing activities of a company and financial result is used most often. Thus it is impossible to track achievements of certain processes of marketing activity of enterprise and the efficiency of the operation of relevant divisions of the enterprise. However, the consideration of approaches to the management of marketing activities of enterprise made it possible to determine the need for the formation of such a marketing management system that takes into account types of connections of system components and considers the influence of factors of the enterprise marketing environment, and the methodology for evaluating its effectiveness made it possible to determine the appropriateness of the enterprise's efforts. The practical significance and originality of the results obtained is the improvement of the management system of marketing activities of the enterprise, which allows, taking into account the influence of factors of the marketing environment, not only controlling the basic processes of marketing activity of the enterprise but also assessing the impact of these processes on the efficiency of marketing activities of the enterprise as a whole on the basis of "contributions/performance" principle.

Key words: marketing activity of enterprise, management system, factors of marketing environment, effectiveness.

JEL Classification: L21, M10, M31

1. Introduction

Rapid and permanent changes in the market environment require continuous improvement as of a system of marketing means of the enterprise, so in general of the management system of marketing activities of the enterprise. The process of managing

marketing activities is aimed at creating an effective marketing complex of the enterprise: its commodity, pricing, communication policy and distribution policy. However, conducting an effective marketing policy requires the company to take a responsible attitude to the organization of all stages of the management process

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such as: planning, organization, implementation, and control of marketing activity. Such circumstances dictate the need to streamline and improve marketing activities of the enterprise not only to achieve the final result but also to ensure a qualitative process organization.

The process of managing the marketing activities of the company involves not only finding out the level of its efficiency but also determining the factors that predetermined such market positions of the enterprise. Consideration of the influence of environmental factors and fulfilment of all management functions are impossible without creating an effective system for managing the marketing activity of the enterprise with an appropriate division of tasks among structural divisions of the enterprise.

The purpose of the study is to build a system for managing the marketing activity of the enterprise. To achieve the purpose of the study, the following tasks are set and solved: to substantiate the theoretical and methodological foundations of the formation of the management system of marketing activity of the enterprise, to specify components of this system and to identify types of links between the components of the management system of marketing activity of the enterprise and factors influencing it and its efficiency, to determine composition of indicators of efficiency of the management system of marketing activity of the enterprise.

The following methods and approaches to research are used in the paper: marketing approach, abstract-logical approach used in the study of theoretical and methodological foundations of interaction management, analysis of theoretical approaches to the formation of a management system for marketing activities of enterprise, inductive and deductive (used in determining factors influencing the formation of a management system for marketing activities of enterprise), systematization and generalization (to clarify the concept of "marketing management"), methods of science abstraction (to form a system of indicators characterizing the efficiency of enterprise marketing management).

2. The essence of management of marketing activities of the enterprise

Formation of a management system requires creating the necessary level of organization and rational use of integrated support for marketing activities.

The essence and content of marketing activities reflect the objective conditions of market development, which to some extent loses chaos and falls under the regulatory influence of pre-established economic ties, where a special role is assigned to the consumer. The consumer places his or her demands on the product, its technical and economic characteristics, quantity, terms of delivery, and thus creates preconditions for the market

distribution between manufacturers. Implementation of marketing activities is an objective necessity of orientation of scientific and technical, production, and marketing activities of the enterprise, taking into account market demand, needs and requirements of consumers.

Issues of improving the management of marketing activity of the company are reflected in works of many scholars such as: P. Kotler, J.J. Lambin, M. Porter, L. Balabanova, A. Voichak, S. Harkavenko, A. Herasymchuk, V. Kardash, Ye. Krykavskiy, N. Kudenko, A. Starostina.

Marketing management – the analysis, planning, implementation, and monitoring of activities designed to establish, strengthen, and maintain profitable exchanges with target buyers in order to achieve specific tasks of the organization, such as, for example, profit-making, sales growth, increase of market share (Kotler, 1999).

According to L.V. Balabanova, marketing management is the practical implementation of a carefully thought-out integrated policy of the company in the market, which includes the organization, analysis, planning, implementation of activities aimed at achieving certain objectives of the enterprise in the market and control. Marketing management is a set of measures that regulate the position of an enterprise in the market by means of marketing functions (Balabanova, Kholod, 2006).

The essence of marketing management is to find the optimal number of customers necessary for the implementation of all volume of production produced by the company at this point. The task of marketing management is "to influence the level, time, and nature of demand in a way that helps the organization to achieve its goals" (Danko, 2001).

The very essence of marketing management is revealed when identifying the main marketing functions. Among the most important functions of marketing are the following: analysis of the environment; market research; analysis of consumer needs; product planning; pricing; sales policy; product promotion; advertising; ensuring social responsibility.

A.O. Starostina understands under marketing activity such an enterprise management system, which is aimed at studying and taking into account the demand and market requirements for a reasonable orientation of production activity of enterprises for the production of competitive types of products that meet certain technical and economic characteristics in predetermined volumes (Starostina, 2000).

Marketing activity of the enterprise is directed to establish, in sufficiently substantiated terms, considering market demands, current and, most importantly, long-term (strategic) goals, ways of achieving them, and real sources of economic resources, to determine the range and quality of products, its priorities, optimal structure of production and desired profit (Danko, 2001).

Management of marketing activity at the enterprise is carried out in three directions: marketing mix formation, management of marketing service, internal marketing.

Consequently, marketing management system of the enterprise is a set of definite subjects, objects, tools, and methods of management that, in the process of interaction between them, are aimed at the effective management of marketing activities of the enterprise.

3. Construction of marketing management system of the enterprise

The interest of enterprises in results of their activities determines the need to increase the efficiency of all processes taking place at the enterprise, which is the result of the coordinated work of all services and divisions of the enterprise. Its organization requires the development and construction of an effective system for managing marketing activities of the enterprise, taking into account specifics of the industry, in which the company operates.

When building a management system for marketing activities, the following subsystems are identified: management (marketing management body of an enterprise) and managed (planning, organization, implementation, and control of marketing activities) (Balabanova, Kholod, 2006). Evaluation of the effectiveness of each of the divisions of the enterprise, responsible for the effectiveness of components of a managed subsystem of marketing management of the enterprise, allows determining the efficiency of the use of resources by these units.

Organizational principles of marketing management of the enterprise consist in the structuring of tasks within the overall process of managing the marketing activity of the enterprise, creation of appropriate structural units (or distribution of certain functions among existing structural units), establishment of hierarchical and functional relationships between them (Lambin, 2007; Wells, 2014).

The introduction of a marketing management system for an enterprise requires creating an effective model for its implementation (Fig. 1).

The model of management of marketing activity of the enterprise is a set of organizational structure, processes, technologies, resources, etc. necessary to create conditions that will facilitate the implementation of marketing advantages in the present and future business environment (Kudenko, 2002).

The main participants in the marketing management model are the responsible person providing the relevant services and a group of employees involved in the management process of marketing activities of the enterprise.

Implementation of the model of management of marketing activities should be carried out by the marketing department of the enterprise or a specially created body for managing marketing activities of the enterprise, which would carry out information-analytical, regulatory, advisory, and control functions for improving marketing activity of the enterprise.

The body of management of marketing activity of the enterprise should carry out general management and coordination of activity of all divisions of the enterprise.

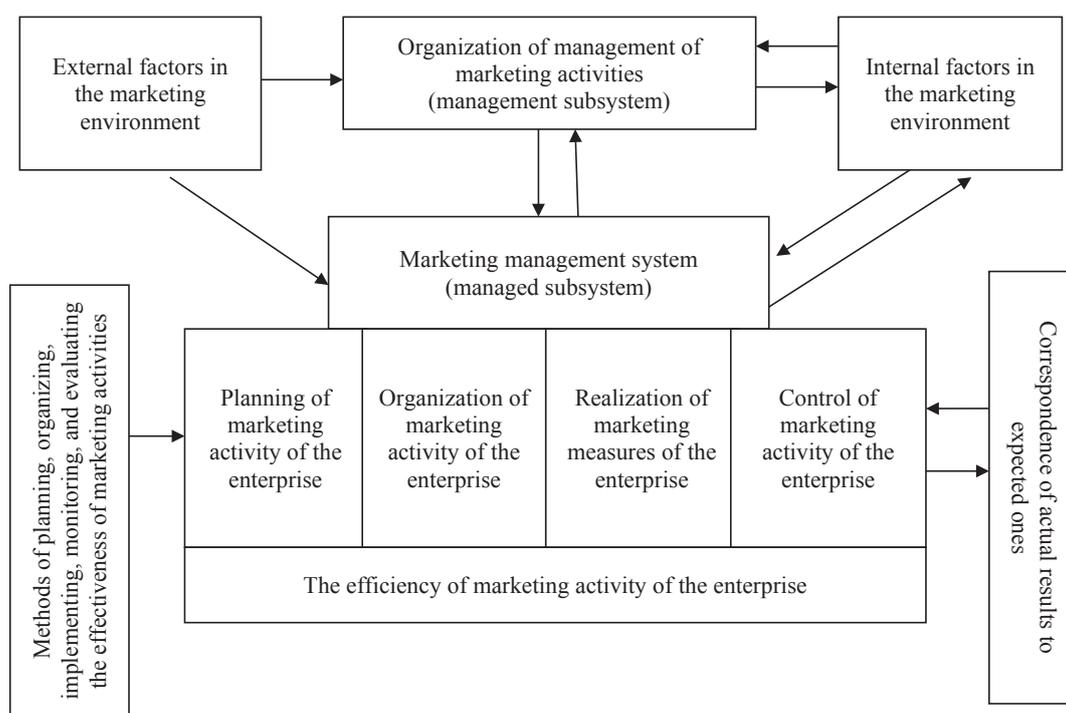


Fig. 1. Model of management of marketing activity of the enterprise

Strategic goals and tasks before the management body of marketing activities of the enterprise are put by the enterprise management, taking into account changes in factors of the internal and external environment of the enterprise, based on the corporate strategy of the enterprise.

The influence of factors of the marketing macro environment affects the level of efficiency of marketing activities of the enterprise but does not directly and immediately affect its level. The macro environment refers to indirect environments, and its factors are uncontrolled by the enterprise, therefore, there is no feedback between macro factors and marketing management system. Macroeconomic factors characterize the current operating conditions of enterprises, that is, certain threats or opportunities for the enterprise.

Factors of the micro-environment directly affect the activity of the company and the level of effectiveness of its marketing activities and feel its corresponding influence. However, factors of direct influence are poorly controlled by enterprises, and one of the tasks of the company's services is to search for means of influencing these factors and strengthening feedback.

The general corporate strategy of the enterprise is developed on the basis of the analysis of factors of the external and internal environment of the enterprise. After processing all the data received, determining the level of efficiency of marketing activity of the enterprise, finding out the problem areas in the system of managing marketing activities of the enterprise, and developing ways to increase the level of efficiency of marketing activities, the management body develops a set of specific tasks for improving the effectiveness of marketing activities for individual units of the enterprise and also controls the execution of tasks.

In general, the effectiveness – the ratio between the achieved results and the costs for it.

Of course, the results can be estimated as the growth of sales volumes; increased profitability of the enterprise. However, in this case, an attention is paid to the process of forming the adherence of the audience to certain brands and the creation of a positive image of enterprises, decision-making on cooperation with certain organizations, implemented on the basis of the rational use of interested parties, the mechanism of marketing communications in the market. Such parameters cannot be estimated by economic indicators. In connection with this, there is a need to introduce such a category as an assessment of the effectiveness of marketing activities – it is it involves assessing the marketing policy itself at the enterprise.

The efficiency of the proposed system is determined by the final level of efficiency of the marketing activity of the enterprise, which is characterized by indicators of marketing activity.

Given this, in order to determine the effectiveness of marketing activities of an enterprise, a generalized criterion is most often used in the form of the following formula (Danko, 2001):

$$E = P/S, \quad (1)$$

where P – the result of the financial activity of the enterprise;

S – the cost of their operation

The aggregate annual economic effect of marketing activities more often than others is calculated by the formula (Danko, 2001):

$$E = E_i - E_j, \quad (2)$$

where E_i – the average annual economic effect of the i -th marketing event;

E_j – expenses of the j -th article of the annual budget estimate for marketing activity (without separate expenses for the i -th event).

With the help of the cumulative economic effect and efficiency gained on its basis, the marketing activity is assessed at the level of the entire enterprise. Before that, one needs to calculate the effectiveness of individual marketing efforts. It is desirable as accurately as possible to assess the specific marketing event in accordance with functions of the unit that conducts it.

It is especially important to evaluate the effectiveness of such components of marketing activity as:

- use of distribution channels of goods;
- organization of sales promotion;
- carrying out communication policy.

In our opinion, the effectiveness of marketing activities of the enterprise can be determined only in terms of the verification of the correctness of all processes that marketing activities of the enterprise include (planning, organization, implementation, monitoring, and evaluation of the effectiveness of marketing activities).

Since all departments are interdependent and interact with each other, the effectiveness of the activity of each enterprise as a whole and the level of effectiveness of its marketing activity depends on the efficiency of each individual unit operation. The principle of "contribution/performance" communication between the management subsystem and components of a managed subsystem of management of the marketing activities of the enterprise requires, on the one hand (in the form of contributions), appropriate measures from the enterprise units to increase the effectiveness of certain aspects of marketing management and, on the other hand, the effectiveness of these efforts is assessed by the management body of the marketing activity of the enterprise and affects the further activity of these units.

The composition of indicators, by which the effectiveness of the management system of marketing activities of an enterprise is determined, changes depending on the specifics of the market and sectoral conditions of its operation (Table 1).

Table 1

Determination of the level of compliance of efforts with effectiveness in the marketing activity of the enterprise

Contributions	Effectiveness
Marketing research costs, UAH	Consideration of market needs, %
The level of organization of processes of planning and control of marketing policy, points	Responsiveness to changes in market needs, points
The level of validity of the company's pricing policy, points	Profitability of enterprise production, cop.
The level of conformity of the commodity range with consumer demand, %	Volumes of sales of commodity groups, UAH
The level of optimality of organization of sales channels, points	The effectiveness of sales on separate sales channels, cop.
The level of cost of communications policy of the enterprise, %	Increase in sales volumes after carrying out communication actions, %

The proposed system of indices of contributions and effectiveness is intended to search for a kind of “balance of expenses of the enterprise” and allows determining the expediency of the enterprise's efforts.

Effective marketing management is hard to imagine without harmonious and coherent action of all management functions, among which the system of strategic measurement – identification, development, communication, collection, and evaluation of performance indicators, directly related to the implementation of the mission of the organization and the achievement of its goals – occupies the first place (Kaplan, Norton, 2003).

According to the methodology of the strategic measurement of business performance, the sequence of obtaining an assessment of the level of effectiveness of the marketing activity of the enterprise is as follows (Artemenko, Leus, 2010):

1. Identification of criteria of marketing management system of the enterprise.
2. Determination of contributions and their impact on each criterion.
3. Ranking of contributions and results by priority (importance).
4. Determination of indicators for each contribution and result.
5. Practical application of selected indicators for the preparation and adoption of strategic management decisions.

The feature of the application of strategic measurement systems to assess the level of efficiency of a marketing activity of an enterprise is the use in the calculation of the sum of normalized weighted ratings (using a ten-point scale) is an assessment of results achieved by the company according to the relevant criterion. Namely, the normalization of indicators allows comparing indicators for each of the criteria that have different units of measurement.

Comparing the estimates calculated for each of the criteria, you can see the weaknesses in implementing the company's strategy.

Using this system of assessing the effectiveness of marketing activities of the enterprise allows seeing a picture of the coherence and validity of the efforts to improve marketing activities of the enterprise, that is, also performs an informational role in maintaining managerial decisions.

4. Conclusions

The research of approaches to management of marketing activity of the enterprise allowed proposing the following components of the system of management of marketing activity of the enterprise: the management subsystem (the body of management of marketing activity of the enterprise) and the managed subsystem (planning, organization, realization, and control of marketing activity). Determination of the nature of the influence of factors on the marketing activity of the enterprise allowed substantiating the model of interaction of the marketing management system of the enterprise with factors of its macro and micro environment and characterizing the types of links between the system of marketing management and factors of the micro environment (direct influence of factors with weak feedback) and macro environment (indirect influence of factors, feedback is absent).

Criteria of the management system of marketing activity of the enterprise are associated with its final estimation by direct and inverse relationship on the basis of “contributions/performance”, which allows assessing the expediency of efforts of the enterprise to increase the efficiency of its marketing activities.

Prospects for further scientific developments in this direction are the definition and localization of the system of management of marketing activities of the enterprise as a component of strategic management.

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