

MARKETING AUDIT IN THE PROSPECTS SYSTEM OF INNOVATIVE PRODUCT IN THE CONDITIONS OF ECONOMY INSTABILITY

Tetyana Derev'yanchenko

Associate Professor, PhD, Kyiv National Economics University named after Vadym Getman,
e-mail: egorovna888@gmail.com, <http://orcid.org/0000-0002-9630-955X>, Ukraine

Inna Benivska

Senior lector, Kyiv National Economics University named after Vadym Getman,
e-mail: benivskayainna@gmail.com, <http://orcid.org/0000-0002-4985-8089>, Ukraine

Annotation. In the article it was researched the theoretical aspects of marketing audit as an effective instrument of enterprise's commodity innovative politics and means of its efficiency increasing. The special attention is spared to the marketing audit at creation of new product, to its methods and description of the stages. Marketing audit using does possible the most optimal use of modern approaches in planning, organization, control and efficiency increasing as on the whole enterprise's marketing activity as its commodity innovations.

Keywords: marketing audit, commodity innovative politics, procedure of marketing audit at creation of new product, coefficient of products updating.

DOI: <http://dx.doi.org/10.23856/3307>

Introduction

It is generally known that an effective sale requires creation of commodities that attract consumer's attention. Potential success of future commodity depends on many factors, in particular, market needs, radicalism of innovative idea, technological capacity of manufacture, efficiency of the marketing providing of innovation. Creation of innovative products gives possibility for enterprise to retain and increase a market share, strengthen positions at the market or create new markets. Marketing audit ia the effective instrument of evaluation of this activity.

Marketing audit of commodity innovative politics

The marketing audit of commodity innovative politics (if this direction is important for an enterprise) is oriented to the analysis of development and leadingout to the market of new commodities and recommendation in relation to the efficiency increasing of this direction of activity. Creation of new commodities is related to the large risks. The American marketing specialists, based on the results of marketing research, made classification and defined the part of commodities of certain type in the general volume of all novelties: commodities of world novelty (10%), new commodities for enterprise (20%), widening of goods range (26%), renewed commodities (26%), repositioned commodities (7%), productive innovation (cost reduction) (11%). Because of large numbers of failures of new products the enterprises try to promote probability in achievement of positive result. Exactly marketing audit helps to solve such problems.

In the process of new products creation the role of the marketing audit is extraordinarily important. Marketing preparation of goods innovations can contain previous

market researches, marketing tests of the developed product, development and start of advertisement campaign etc. Therefore in audit evaluation large attention is spared to the new product development process. The analysis of expediency of new commodity producing is made on such indexes as sale volume, profit that provides new commodity sale, rates of sale volumes, part of new commodity sale volumes in general sales, share of new commodity profits in the general enterprise's profit, profitability of marketing investments in a new commodity (it is accounted as a relation of profit that provides a new commodity, to the charges for it's development and promotion to the market), new products' perception of enterprise by consumers etc.

In general, the marketing audit procedure of process of new commodity creation consists of sequential evaluation of its stages (Fig. 1) and concentrates on the detailed study and evaluation of market needs according to such criteria:

- main factors of future market segmentation and it turns out, who is ready to pay money for satisfaction of certain need;
- perspective needs and possibilities of their satisfaction;
- analysis of future product idea in the presence of socially negative factors that can prevent to sale it;
- market readiness to new product perception and also possibility of its penetration to the new using spheres (except traditional);
- compliance of the product idea to general industry trends;
- possibilities of the resource provision of idea materialization;
- compliance of main product properties to the requirements of consumer in relation to its consumer values.

In the process of audit mostly those methods are applied that are directed to creative stimulation: method of "brainstorming" and method of synectic. The main limitation in-process creative collectives is the difficulties of the simultaneous taking into account a large number of criteria and complexity of the procedures for evaluating various combinations of multiple indexes. It is considered reasonable, when the amount of connections responds to the condition:

$$S = (57) n, \text{ where}$$

S – connections amount,
n – indexes amount.

Process formalization of previous evaluation is achieved with the use in the audit of qualimetric methods determination of ideas rating of new commodity. The analysis of commodity innovative politics is begun with the calculation of coefficient of products updating at the enterprise according to formula:

$$K_{ov} = (O_{nv} : O_{snv}) \times 100, \text{ where}$$

K_{OV} - coefficient of product updating,

O_{nv} - volume of product producing, physical units/uan;

O_{snv} – combined volume of product producing, physical units/uan.

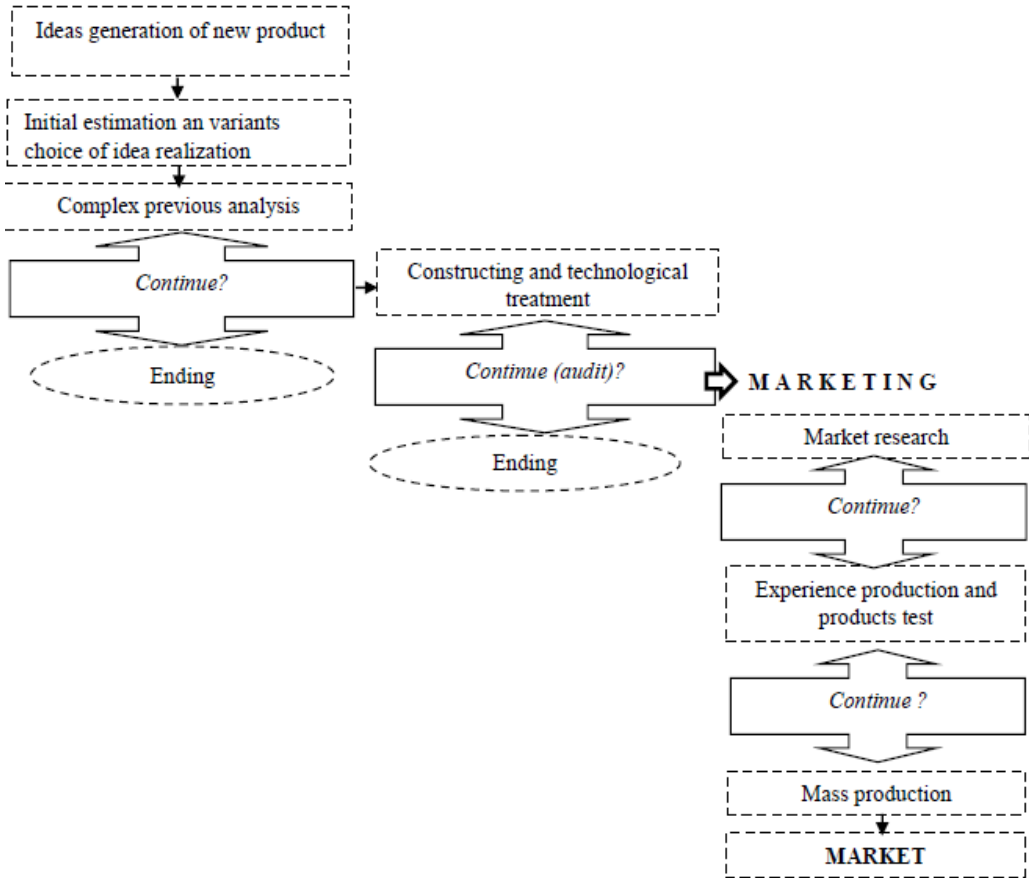


Fig. 1. Algorithm of marketing audit process of new product development

The coefficient of updating it is important to compare with the middle average rate for industries and with basic competitors for the exposure of factor influence of product updating that is offered to the consumers, on the level of enterprise’s competitiveness at the market. The example of analysis of commodity innovative politics according to the coefficients of product updating is presented in a Table 1.

Table 1

An analysis of commodity innovative politics according to the coefficients of products updating

Combined volume of products producing, physical units	Producing volume of new products, physical units	Coefficients of products updating, %			Deviation, %	
		C	D	E	C - D	C - E
A	B	“Bevers”	“Vercon”	Medium-branch	C - D	C - E
5000	400	8	20	34	-12	-26

From the Table 1 is visible, that the "Bever" enterprise has renewed only 8% of products, that on 12% less than in competitors and substantially differs from a medium-branch level. We talk about the low level of innovative activity and it does not assist providing of its competitiveness. In a commodity audit it is made the analysis of structure of commodity innovations at the enterprise, that is characterized by correlation of producing volumes in the varieties of new commodities in the general amount of novelties (Table 2).

Table 2

The commodity innovations structure of "Smak" enterprise (example)

Types of novelties	Producing volume, thousands of units				Part in the general producing of new commodities %			
	2013	2014	2015	2016	2013	2014	2015	2016
Absolutely new commodity	-	-	3.9	6	-	-	3	4
New commodity for enterprises	56	51.75	23.4	15	70	45	18	10
New commodity as assortment addition	5.6	10.35	13	18	7	9	10	12
Modified commodity	16	46	68.9	90	20	40	53	60
Repositioning commodities	-	-	13	12	-	-	10	8
Economically new commodities	2.4	6.9	7.8	9	3	6	6	6
Total	80	115	130	150	100	100	100	100

Data tables testify the positive dynamics and enterprise's gradual expansion of innovations structure due to introduction of commodity novelties. The producing of new commodities is analysed with the use of charts of chain indexes of rates of new products height producing that shows evidently the rates of height or decline of enterprise's commodity innovative activity during a certain period. Inalienable part of products development is its design, that has to comply with the modern form, color and material requirements. Here the attention is paid to two weighty moments - co-ordination of marketing service actions and research service (it is the developer of all commodities) and evaluation of expediency of commodities design from the point of view of "classic" marketing approaches (for example, correct correlation of local traditions and fashion).

Marketing audit checks possibility of marketing service to give necessary and reliable information that does possible its participation in the process of new commodities creation on the early stage. This analysis is mostly made by means of rating estimations. In addition, auditors can be given assistance in relation to development of creation procedure of new commodity. It is well-proven that timely and reasonable development of new product of conception substantially promotes possibilities of its commercial success. Comparison of new commodity conception with the present at the market commodities is made through the prism of intensity needs and the level of its satisfaction. Intensity and level of needs satisfaction is determined by the method of ball evaluation (for example, according to scale 1 - 5) or in percents.

In the process of commodity audit a map commodities (or brands) perception takes place as an auxiliary instrument that are sold at the market of analogical commodities. Here it

is conducted the comparative analysis of commodity conception and market attractiveness that it belongs (Table 3).

Table 3

Marketing attractiveness analysis of commodity and market

Attractiveness criteria of commodity conception	Weight of criterion	Estimation of commodity conception		Self-weighted estimation	
		existing	predictable	existing	predictable
<i>Estimation of commodity attractiveness</i>					
Substitution presence					
Commodity image					
Difference from the competitors' commodities					
Potential market share					
Modification possibility					
Quality					
<i>Estimation of market attractiveness</i>					
Attractiveness criteria of market conception	Weight of criterion	Conception estimation		Self-weighted estimation	
		existing	predictable	existing	predictable
Market potential					
Rate of market increase					
Demand changes					
Profitability					
Competitiveness					
Political risk					
Technological risk					

According to the results of comparative analysis of commodity conception and market attractiveness, auditors' recommendations can be presented.

If it is envisaged by an agreement, auditors estimate decision-making efficiency in relation to the exception of commodity from a commodity nomenclature. Thus it is examined such possibilities: commodity sales to other enterprises (if a commodity is yet popular), speed-up sale of inventories that remained or maintenance of past consumers. We remind, that production termination is expedient, when commodity: no longer satisfies the target market needs, and its maintenance causes for customers unfavorable attitude toward other enterprise's commodities; requires for its promotion and realization a lot of time and means that it is expedient to use to create new products or to modify existing ones. At the same time for most enterprises the wipeout of commodity appears sometimes enough difficult business, many of them decide it only after the frequent changes of sale conditions and receipt of perceptible material losses. Exactly in the process of commodity audit it is got the answers in relation to a necessity and decision-making expediency as for withdrawal of commodity from the enterprise's commodity nomenclature.

Packaging analysis is the important constituent of commodity audit. During of this process it is researched the changes that take place in its production and use, the tendencies that predetermine such changes. Audit providing requires the analysis of completeness of the use of all functions of packaging: limitation of volume and protection, ease of use, communication with a consumer, sale providing, forming of new consumer properties of product. It is conditioned by that the packaging is an important element of commodity politics

of enterprise, that in the conditions of the developed market becomes the effective instrument of marketing, constituent of image and the object of innovative search. It costs in average 10%, and for some commodities the cost is 50% from the cost of commodity. In some cases (cigarettes, cosmetic, drinks), packaging by itself is a commodity. Packaging is a decisive factor of influence on making of purchase, especially, in supermarkets. Some specialists distinguish it in the separate element of marketing-mix. But it is important to remember, that packaging does not have an independent value and at packaging development it is determined its place in the general multi-attribute product model. The creation of packaging conception in such conditions plays an important role and subjects to the careful analysis from the side of auditors. Packaging conception is formulation of its role within the framework multi-attribute product model for satisfaction of customers needs in the processes of choice, purchase, delivery, consumption, storage and utilization of commodity. During audit providing packaging is estimated:

- from customer's position: accordance to the aesthetic requirements, convenience and safety, transportation, opening, closing, destruction, accordance of packaging size to the requirements of market, presence of important for a customer information (weight, price, constituents, expiration date, producer's address, way of consumption);

- from producer's position: packaging attractiveness for a consumer, legislation provided the content of information that concerns a producer and commodity; accordance of packing to the requirements of safety, ecology, to the legal norms of country where commodity is sold; adaptability to the requirements of target market (size, use simplicity, aesthetic); a difference from packaging of competitors; co-ordination with positioning and image of enterprise; type, structure and properties of commodity; cost and accordance to class of commodity; use possibility with promotional purposes (with a coupon);

- from agent's position: motivating influence of packaging on the psychics of customer; possibility to identify commodity easily; convenience at transporting, warehousing, pricing, location on shelves, customer service; commodity protecting against destruction (dispersion, pouring, wetting); availability of all legal requirements concerning information; the product security from manipulating it.

The appearance of difficult commodities, their development, technological process demands from the consumer the skills of its using. Exactly information, instructions (in some cases packaging forms) facilitates this process and take off psychological barriers in relation to new commodities for a consumer.

Conclusions and suggestions

Thus, at the terms of permanent changes of consumers requirements, technologies and competition environment, the rates of development of enterprise and maintenance of its income directly depend on that, as far as successfully it is developed and promoted new commodities to the market. Marketing audit of commodity innovative activity of enterprise assists the achievement of effective marketing and commercially-productive activity of enterprise.

It is necessary to underline that the problem of marketing audit is spared not enough attention, information is not detailed and systematized. The input of modern methods and instruments during marketing audit commodity innovative activity providing assists the increase of its efficiency. Exactly marketing audit is one of most modern and the most effective instrument of successful business-activity of enterprise.

References

- Andreyeva, N. M., Zinkovska, D. V. (2018). *Marketing audit of the enterprise: methodical aspects of unifying the procedure of strategy and evaluation of efficiency. Socio-Economic Research Bulletin*, no. 1(65), 70-78. [in Ukrainian].
- Chukhrai, N. I., Danylovykh, T. B. (2017). *Features of Marketing of Product Innovations. Bulletin of the National University "Lviv Polytechnic"*. [in Ukrainian].
- Kalinichenko, O. O. (2017). *Formation of marketing commodity policy of the enterprise in modern economic conditions. Economy. Management. Innovations*, vol. 1 (20). [in Ukrainian].
- Kardash, V. Y., Pavlenko, I. A., Vasylykova, N. V. (2010). *Commodity innovation policy. Kyiv: KNEU*. [in Ukrainian].
- Katayev, A.V. (2005). *Social-oriented marketing-audit. [Monograf]. Kharkiv: Vydavec Oberemok V*. [in Ukrainian].
- Koryagina, S.V., Koryagin, M. V. (2014). *Marketing audit. Kyiv: Centr uchbovoyi literatury*. [in Ukrainian].
- Kotler, P., William, T., Gregor W., Rodgers, H. *The Marketing Audit Comes of Age. [Electronic resource]. Retrieved from www.hamilton.com/features/hampub/SMR.html*. [in English].