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NATIONAL TECHNICAL UNIVERSITY
"KHARKIV POLYTECHNIC INSTITUTE"

Lecture notes
in the discipline "Strategic Marketing"
for applicants for the second (master's)
level of higher education of the educational programme "Marketing"
in the speciality 075 "Marketing"
for all forms of study

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Compiled by O. M. Kitchenko

Department of marketing

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IN PLACE OF THE LECTURE PART OF THE COURSE "STRATEGIC MARKETING"

Topic 1. Place and importance of strategic marketing

1. The concept of strategic marketing and its place in the planning system.
2. Goals, objectives and changes work in strategic marketing.
3. Significance and problems of strategic marketing in enterprises.
4. Stages of strategic marketing planning.
5. Basic strategies for business development.

Topic 2. Analysis of market needs using the segmentation method

1. Concepts and types of market segmentation.
2. Macro- and micro-segmentation of markets and their interconnections.
3. Understanding the target market, its parameters and methods of rejuvenating it.
4. Types of microsegmentation of the market and their influx into the conquered market.

Topic 3. Analysis of the profitability of target markets

1. The concept of a legal and a private drink.
2. Active, absolute and potential drink.
3. Officials who signify the rhubarb of a hot drink.
4. Methods for estimating the size of drinks for various products.
5. The process of developing the halogen pit and ways of increasing it.

Topic 4. Product positioning

1. Understanding the positioning of the product.
2. Types of positioning and differentiation.
3. Position cards.
4. The procedure for assigning positioning.

Topic 5. Analysis of the competitive situation in the market

1. Understanding competitive advantage.
2. External and internal competitive advantages.
3. Analysis of the competitive position of the company using the additional matrix “market share - production efficiency”.
4. Intensity and forms of competitive struggle in markets of various types.
5. The law of information and internal competitive advantages.
6. The company's behavior strategy is dependent on competitive advantages.

Topic 6. *Methods for choosing a strategy for business development*

1. Strategic planning techniques and their uniform characteristics.
2. The development of curves and the concept of the life cycle with strategic marketing planning.
3. Formation of a portfolio of business activities and the BCG matrix.
4. Portfolio analysis is based on the additional matrix “market profitability – firm competitiveness”.
5. Ansoff matrix for strategic marketing planning.
6. Curves and Porter's matrix and their viscosity.
7. Risk assessment for strategic planning.

BASIC THEORETICAL PROVISIONS OF THE COURSE

1. The essence and significance of strategic marketing.

Strategy is a set of goals of direct actions for the achievement of any complex task of a long-term nature. This word is similar to the Greek words «stratos» – army and ego – I lead. This in itself illustrates the sense of the concept of “strategy”.

Strategic planning is the process of developing a strategy in the sense that we just talked about. As much as strategic marketing planning, the sense of the concept is lost, but the object is specified. In this case, the object of strategic planning is the marketing side of business activity, which can be expressed by the 5 “P” complex (Fig. 1).

Thus, it can be stated that strategic marketing or strategic marketing planning is a set of direct approaches to achieve the long-term marketing strategy of the enterprise.

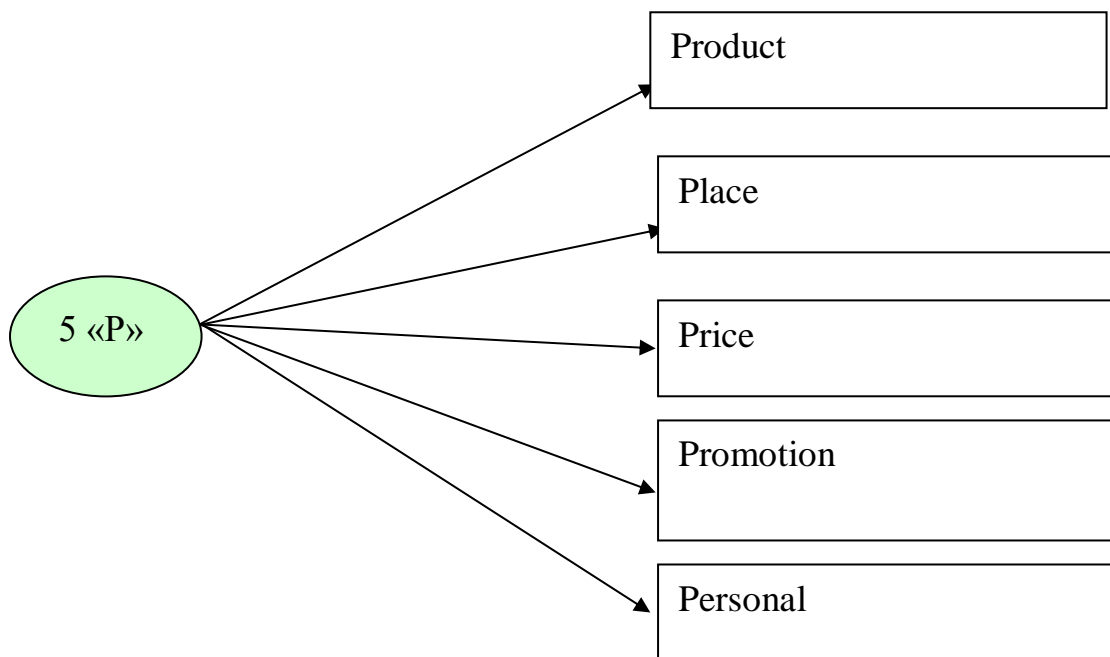


Figure 1 – Warehouses for the 5 “P” marketing mix

Strategic planning is fundamentally different from operational planning.

First of all, there are different planning periods: trivial (more than 1 month) - for strategic and short (up to 1 month) - for operational planning.

In other words, the information base of these types of planning is absolutely clear: it is already demarcated and transparent - for strategic planning and detailed, specific, designated, discrete - for operational planning.

The third dimension characterizes the intensity of the obtained result – incredible; A clearer, less complex, pouch for strategic planning and measurements, one that has no harsh characteristics - for operational planning.

Naturally, in connection with these activities, the methods that are used in one or another type change: matrix, enlarged, ballroom, expert, scenario, etc. – for strategic planning and calculations, factors, methods of economic analysis, mathematical methods, etc. – for operational planning.

Since operational planning includes a series of assessments, then as a result of strategic planning we are likely to see direct developments, tendencies, trends.

At the same time, it is necessary to understand that operational and strategic planning are closely related to each other, moreover, they are the same wings, and the results of strategic planning are the basis for the development of detailed, discrete operational plans.

In the table 1 outline the main aspects of operational and strategic planning and their formation.

Table 1 – Statement of operational and strategic planning

Factor	See the marketing plan	
	Operational Marketing	Strategic marketing
1. Mission, recognition	Production of specific goods and services	<ul style="list-style-type: none"> • Stabilization of market position; • growth, expansion of positions; • quick, leaving the market
2. Focus, the respect of the manager	Internal structure of the company – installation, personnel, finance, production organization	External officials: <ul style="list-style-type: none"> ✓ economical camp; ✓ political situation; ✓ legislation
3. Planning period	Short and mid-line, up to 1 line	Long-term, in our minds – more than 1 year, up to 3–5 yers

Continued table 1

Factor	See the marketing plan	
	Operational Marketing	Strategic marketing
4. Basics of everyday companies	<ul style="list-style-type: none"> * organizational structure of the company; * functions of departments; * technical and technological features 	<ul style="list-style-type: none"> * markets; * segmentation of residents; * information about the product; * dynamics of processes
5. Approach to personnel management	personnel - this is one of the officials of the production	personnel are the most important officials who determine the success and efficiency of the company
6. Criteria for effective management	profits, profitability and other indicators of financial stability	<ul style="list-style-type: none"> ◇ position of the company on the market; ◇ prompt and accurate reaction to market changes

Apparently, the enterprise is located and operates in a variety of different firms, organizations, local and central government bodies, and so on. This whole aggregate is called micro-precision of enterprise. In addition, distant officials are joining the enterprise to shape macro-precision. This includes the legislation that is in force in the country, the political and economic situation, the characteristics of markets and the population, and the like. The entire system is shown in Fig. 2.

The internal middle is all about enterprise, which itself is a complex system that includes various officials, including the minds of the production, the basic technology and installation, the level of the culture of the production, the personnel at the very beginning. Enterprise, strategy for its development, management and production structure ta in.

The officials control this in the sense that the management of the enterprise can get involved in these processes, get involved in them, adjust them and control them. This is a regulatory process that lies mainly in the enterprise itself, the presence of features, the chosen strategy, etc.

External officials include officials of the micro- and macro-environment, who have a different level of control on the side of the enterprise itself, which is

necessary for assessing the extent of their influence on the results of the enterprise's activities.

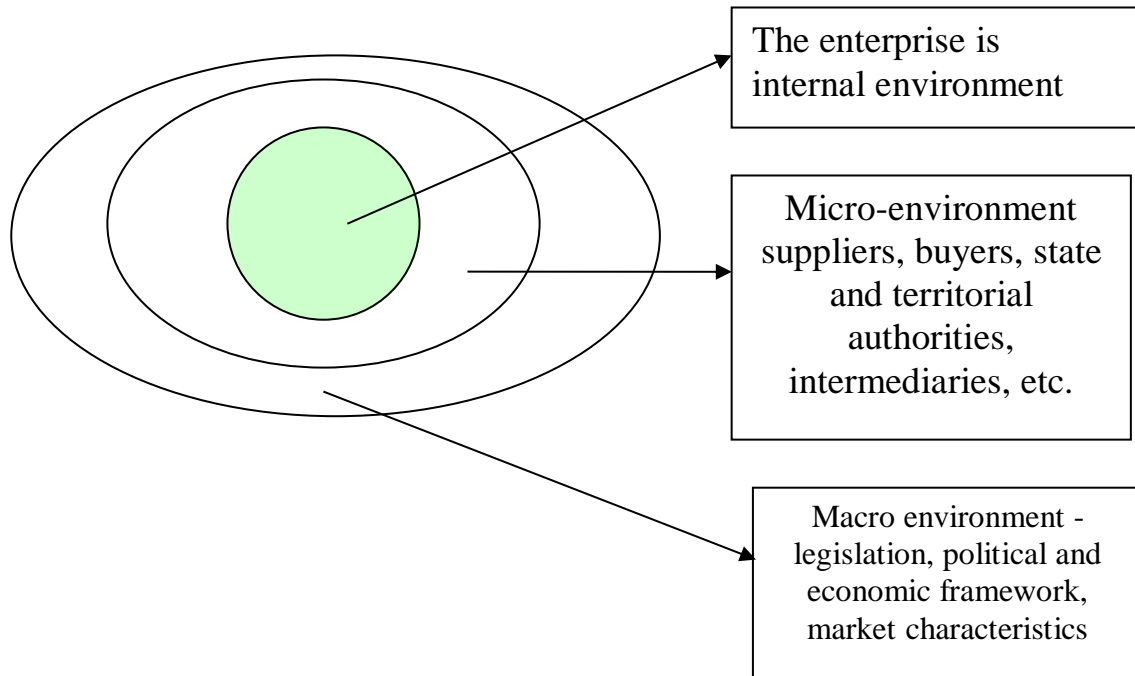


Figure 2 – System of micro- and macro-precision of enterprise

Officials of the micro-environment - at the closest level of enterprise, so that they can singly join in the peace, we can talk about bringing a high level of regulation to these officials. Lie here:

- buyers;
- suppliers of raw materials and materials;
- intermediaries;
- businesses that cooperate with this data;
- warehouses and wholesale organizations, exchanges;
- trade organizations;
- territory management bodies;
- government authorities of administration and control;
- banks, credit organizations;
- legal services;
- advertising agencies;

- auditing firms and others.

The mechanisms of action that are involved in the regulation of officials include everything and include: prices are important; price leverage; competition officials; restructuring of the enterprise; Combining production facilities; separation of production facilities.

Officials of the macro-environment are practically unregulated processes, deposits neither in the economic, political, social, legal situation in the state, industry, region. They arise through the government's control over the participation of parliament, the press, the way of lobbying laws, and the like. A valuable process that requires the active participation of enterprises in the development and formation of laws.

With strategic planning, all these officials may be insured. In this case, it is important that if the officials of micro-precision can often be influenced (change the minds of contracts and deliveries, influence on prices, the minds of sales, etc.), then the officials of macro-precision will also be infused and not in the mind - it is necessary to avoid taking risks when planning.

For this reason, micro-finishing officials often call them controlled, and macro-finishing officials call them uncontrolled.

Based on the above, we can identify the main stages of strategic marketing planning in this manner.

In a purely practical way, their management can be said only about the need for their training, analysis and search for ways to mitigate the negative flow, as it is.

This situation, unfortunately, is typical, because it is theoretically impossible to avoid the local and global optimum. In this case, the enterprise itself can be seen as a local object, and the state, in particular its representatives, can be seen as a global object. In these minds, managers' positions seem to be based on some kind of consensus, a mutually agreeable solution, in which the obligatory expenses will be minimal.

To find such a solution, a comprehensive analysis of the regulatory - documents themselves, as well as the external environment, is required, including:

- analysis of market trends and market prices;

- analysis of buyer behavior in different segments;
- analysis of the structure of similar products at your own company and among competitors;

- analysis of the competitive environment;
- analysis of the economic, social and political environment.

After conducting the analysis, analyze the internal and external development strategy of the company, which consists of two stages.

Stage 1. Development of the internal strategy of the company:

- rational use of natural resources;
- development or reduction of production efforts and resources;
- getting out of unnecessary, unpromising troubles and straight activities;
- internal coordination of production and production;
- development of the organizational strategy of the enterprise;
- forming an optimal portfolio of contracts.

Stage 2. Development of approaches and strategies for adaptation to the current average (infusion of micro- and macro-refinement).

The following warehouse processes are involved here:

- adaptation to the political situation in the region;
- adjustment to the economic situation – balancing the dynamics of development, solvency, investment climate, etc.;
- Inspection of the demographic situation in the region - century, state, qualification structure of the population, cultural background, mentality, students, etc.

To achieve this goal, a variety of marketing research methods are used, which require information. In this episode, we provide information about market conditions at present and future hours, information about the direct development of nearby markets, product lines, countries, territories, etc. In the minds of the world that is globalizing, it is important to realize that the world economy would like basic development - energy, food, population, migration, etc. It is also important to understand the destructive forces of economic and political processes in the world and in the country, which are rapidly emerging.

3. Place, meaning and procedure for developing a marketing strategy

In general terms, the algorithm for developing a marketing strategy includes the following stages:

1. Assignment to the project.
2. Analysis of current trends.
3. Analysis of the internal development of the enterprise and the direct internal development of the enterprise.
4. Analysis of the possibilities of adapting the enterprise and the project to external officials.
5. Choice of strategy (offensive, position-saving strategy, approach strategy) – the most advanced stage. At the same time, there is a low degree of virility. Therefore, in these situations it is possible to introduce a scenario approach. This means that at least 2 scenarios are broken down – optimistic and pessimistic – and for each of them, the following developments are carried out.
6. Development of a specific plan of action with the breakdown of expenses, terms, performers, world of responsibility, etc. This is already a specific plan that can be implemented.
7. The implementation of the project is carried out under constant control from the contractor, general contractor, subcontractors, etc.
8. Verification, control, appearance, adjustment of terms, operating conditions, type of costs and costs.

With strategic planning, it is not possible to continue to use a variety of different methods of development and priming solutions that are accepted, as long as there is not a sufficient base of output data, and that which is carried out Imaginative character. Therefore, at this stage, calculations are made using enlarged methods, including matrix and explicit estimates in “over-minor” coordinates.

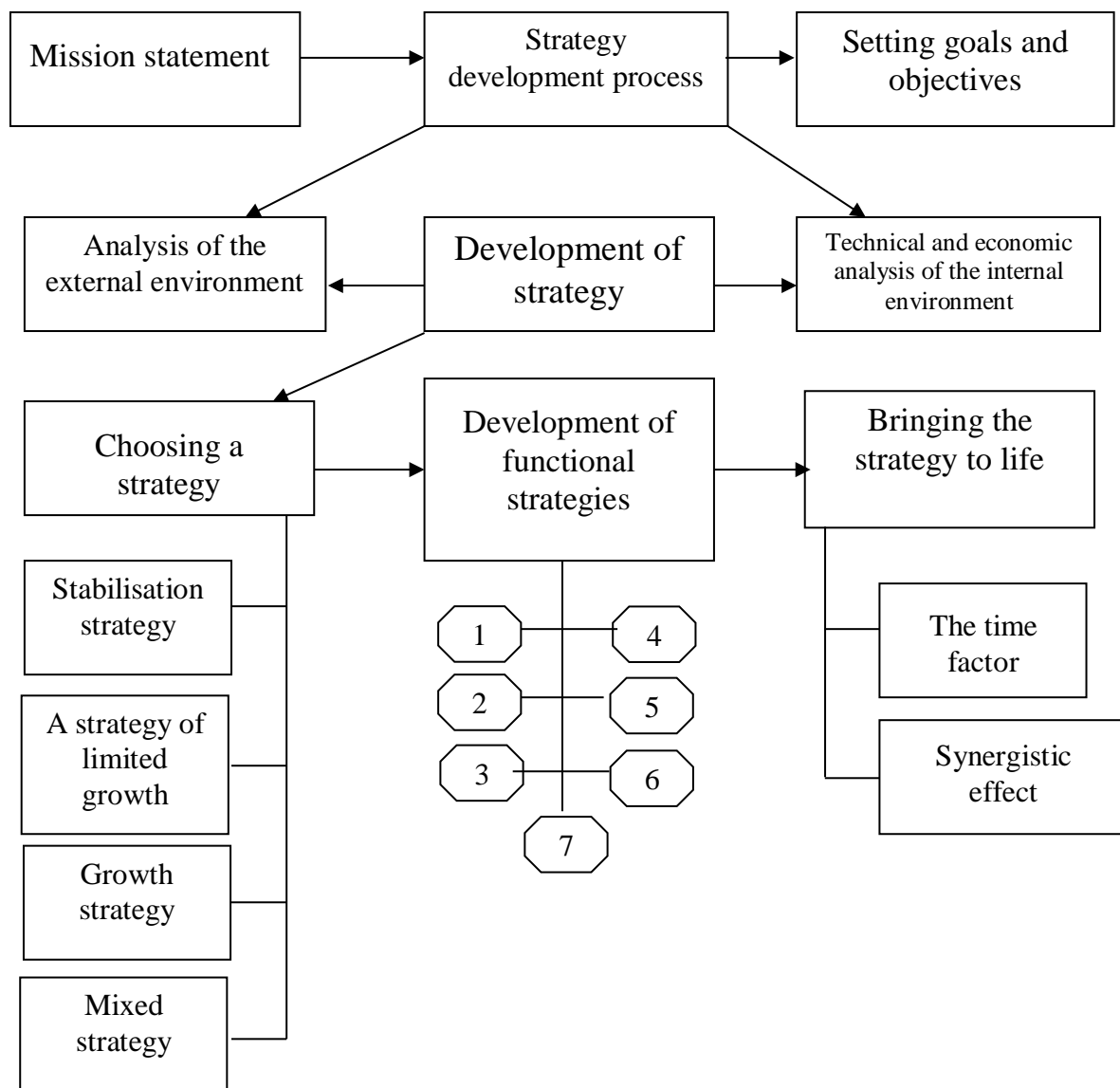


Figure 3 – Basic scheme of strategic planning:

- 1 – marketing strategy; 2 – financial strategy; 3 – R&D strategy;
 4 – strategic strategy; 5 – strategy in the social sphere; 6 – organizational strategy;
 7 – strategy in the field of ecology

In Fig. Figure 3 shows the overall scheme of strategic planning. At the top of the picture there are 2 main stages of the whole process - the development of the mission and goals and the assignment. In the lower, more open part of the scheme, the procedure for developing a strategy is outlined in detail.

Let's look at the sense and understand the instructions in the algorithm.

The development of the mission is fundamental and fundamental to the entire project; the reason for the foundation of the project is clearly expressed. In market minds, the mission is no less and not so much technical or product specificity of the enterprise, as much as its position on the market.

One of the classics of marketing, Theodore Levitt, said: “The characteristics of a business from the point of view of market activity appear to be more precise and accurate for its product and technological specifics.” This means, frankly, that it is not so important what the enterprise releases, what position it takes with its goods on the market. However, a high position in the market benefits, among other things, high technology and technology.

In connection with this, it is necessary to understand that when developing a product, it is necessary to focus not on the production of any specific product, but on satisfying consumer demand.

The application of the mission, as such, can be called the rise of environmental problems, the advancement of the level of employment of the population, the advancement of the culture of marriage, the level of education and others - through the implementation of certain specific projects.

The significance of the mission is that it formalizes, details the status of the company, its strategic goals (the mission), allows you to select guidelines, a framework for setting goals and the strategy of the company at different stages of development.

All these groups of priorities and provisions for different projects may have different values and individual characteristics. However, they can all be avoided when a serious analysis of the marketing situation is carried out, especially in the early stages of planning, when developing a strategy, assigned mission to the project, etc.

More strategic planning, as can be seen from Fig. 3, includes the stage of developing tasks and goals. This stage is the process of developing a fragmented mission into a system of mutually interrelated goals and instructions that define specific parameters. It is based on the theory of management by the method of increasing tasks. In this case, the concept of “task” is broader, less “meta”. The purpose is to enter the warehouse as their part, outside the warehouse.

Here's what you can do before the weather and storm:

- clear and specific formulation;
- reality, relevance of tasks and goals;
- the goals are not intended to be mutually exclusive;
- tasks and goals are responsible for clear time parameters;
- the visibility of specific performers and was possible before them.

The premises are divided into private and private.

The *final tasks* include the main activities, principles of work and mutual relations with the environment, the culture of the organization, its corporate spirit, image.

Specific tasks may be of a more detailed nature, for example, which market segment the company can serve or what needs it can satisfy.

Goals are broken down as elements of a system for solving a skin problem. The terms are divided into long-line terms (terms of implementation of 5 lines or more), mid-line terms (from 1 line to 5 lines) and short-line terms (1 line).

Specification of goals follows everything directly:

- economical (for example, an increase in profitability per market by 7%);
- volume (for example, the growth of production obligations is 8% of the total);
- financial (for example, the share of the deposit capital in assets is no more than 25%), etc.

The proper choice and development of strategy begins with the development and analysis of the external environment and internal environment.

Initially, analyze the external media in the following order.

- Observe and evaluate possible changes that may have an impact on the company's activities.
- Officials are identified who may pose a threat to the flow strategy.
- Officials are positive about what they can predict for the future.

Such investigations should be carried out in six directions:

1. Economic officials – prices, inflation, unemployment, etc.
2. Political – laws, the level of their possible conquest, investment climate, stability of the political system.

3. Market officials – the level of income of the population and its dynamics, solvency, competition, etc.

4. Technological – the level of technology and technology in industry, automation of design and control processes.

5. Social officials - development of entrepreneurship, social protection of the population, interests of residents.

6. International officials – the company's position on the light market, connections with foreign companies, the supply of light trade in industry.

It is necessary to take into account the low level of regulation of these officials, since the remains of the stench are indicated by hidden causes and manifestations, often of a global nature. Ale such an analysis of obligatory ulcers would have allowed the “shock of the future” to subside.

Internal officials stand in the middle of the very creation itself, its development and other. This, of course, is regulated by officials, the fragments of the stink already lie in the significant world of the enterprise itself, the production and can be adjusted accordingly to the specific situation. Such officials without personalities, enlarged, they can be divided into 2 groups.

Marketing officials:

- competitiveness of the enterprise and its products;
- variety and variety of assortment;
- market segmentation, market capacity, its dynamics;
- the rate of development of new products and services;
- visibility and clarity of pre- and post-sales service;
- system for distributing goods, distribution, advertising.

Economic officials:

- production structure of the company;
- corporate structure of the company;
- level of technology and production technology;
- the status and quality of staff;
- profit, profitability, level of financial stability.

To carry out the approaches that comprise these stages, the methods of technical and economic analysis, or TEA (for analyzing the internal state of a

business) and the SWOT analysis method for balancing internal and external responsibilities will be used. This analysis should be carried out using the scoring method. In addition, for strategic analysis it is easy to use the CVP analysis method, which allows you to connect cost, volume and profit and determine the break-even point and other indicators of growth.

After analyzing the external and internal factors, you can choose the company's strategy.

From diagrams in Fig. 3 It is obvious that there are 4 fundamentally different strategies: stabilization or limited growth, indirect growth, shortened and mixed strategy. This is clearly understood if we take a closer look (section 4).

4. Types of marketing strategies and their strategies

There are a number of approaches to the formation of marketing strategies, divided by various scientists and practices. They can be identified based on the basic criteria underlying them. In the table 3 types of marketing strategies are based on existing approaches, their basic principles and types.

Table 3 – Types of marketing strategies

Come to the definition of marketing strategies	Ambush principles	Types of marketing strategies
1. Matrix “Product – Market”, 4 fields	Rate of movement of the market pit	<ul style="list-style-type: none"> • penetration strategy; • market development strategy; • strategy for launching a new product; • diversification strategy
2. Matrix “share of the market – growth of the market”, BCG matrix, 4 fields	Relationship between market share and market growth rate	<ul style="list-style-type: none"> • "star" strategy; • “milking cow” strategy; • strategy sign “food”; • strategy “dogs”
3. Matrix “advancement to the market – advances in competition”, development of the BCG matrix, 9 fields	Market attractiveness - competitive advantage ratio	<p>Key strategies:</p> <ul style="list-style-type: none"> • investment and progressive growth strategy; • strategy for promoting sustainable development; • investment and global development strategy

4. Porter matrix, 3 fields	Scientific relationship “strategic goal – strategic advantage”	<ul style="list-style-type: none"> • differentiation strategy; • strategy of mass, non-differentiated marketing; • strategy for a concentrated target segment
5. Matrix Zh.Zh. Lamben, 9 fields	The ratio "market attractiveness - firm competitiveness"	Key strategies: <ul style="list-style-type: none"> • active development strategy; • dominance by value • disinvestment strategy
6. See marketing	State of market demand	<ul style="list-style-type: none"> • conversion; • creative (rotating); • stimulating; • synchromarketing; • encouraging; • remarketing; • anti-convulsive
7. Internationalization Policy	“Laser exchange” strategy – market expansion	<ul style="list-style-type: none"> • development of the domestic market; • globalization strategy; • cooperation strategy
8. Type of marketing activity	Functional principle	<ul style="list-style-type: none"> • pricing strategy; • product strategy; • advertising strategy; • communication strategy
9. Innovative approach	Relevant to technological and technical innovations	<ul style="list-style-type: none"> • technology leadership strategy; • strategy to follow the leader; • segmentation strategy; • imitation strategy

Of course, this classification has been completely faulted. In real practice, a company chooses the most relevant criteria for it and, therefore, a strategy. Let's look at the most typical situations and types of strategic marketing that they represent (Fig. 3).

The strategy of stabilization or moderate growth is typical for companies with a stable market position, which avoids a weakening of this position. For this purpose, it is necessary to go through some minor obvious or significant growth, which includes modernization of products and production, support of an active policy of selling goods on the foreign market, etc. Characteristics What should you do with marketing to maintain the position of the product on the market, without

incurring additional costs, a three-year period for the implementation of projects and is not associated with significant risks.

Growth strategy (or sometimes called an expansion strategy) is an active strategy, typical for new firms that are aggressively and rapidly developing, have resources to carry out such investments, add risks, etc. effective strategy. In practice, this strategy is implemented to expand the current market, entering new markets with new, progressive products.

The strategy is being implemented quickly by companies that are on the downswing of the life cycle, which do not have the means to implement an active strategy - the product is not new, there are no prospects for its development, etc. Specifically for whom you need to enter the following:

- short-circuiting the so-called unpromising directions, and for the directions that hold promise - reorientation and strengthening;
- short-term or complete liquidation of all directions, phyla of children;
- complete liquidation of the company, subsidiaries, etc.

The mixed strategy is aimed at large firms that produce a wide range of products distributed organizationally. Moreover, the parts of all warehouses are located at different stages of the life cycle, then before them there are different strategies, so that in general we can talk about a mixed strategy for the company.

Among all reinsurance strategies, the greatest interest is in growth strategies, since without their involvement in one or the other, a company cannot be managed successfully. There are 3 types of growth strategies – intensive, integration and diversification growth (Table 4).

An intensive strategy promotes the expansion of markets, the creation of new types of products and the modernization of those that exist, for the sake of the scale of powerlessness and, among other things, for the scale of intensification of production, then internal resources. Here we must enter modernization in nature, both in the sphere of power production and in the improvement and expansion of the range of products. It is clear that although these are relatively inexpensive measures, they are quickly implemented and are likely to have low effectiveness. However, it is necessary to emphasise the importance of this strategy in the sense

that before launching new expensive and risky projects, all internal resources must be exhausted, and this is an intensive strategy.

Table 4 – Characteristics of growth strategies

Types of growth strategies			
Intensive		Integral	Diversification
<ul style="list-style-type: none"> • going to the market soon; • expansion of market cordons; • in-depth product knowledge 		<ul style="list-style-type: none"> • development of new goods; • development of new markets; • sinking of foreign markets 	<p>The deepest growth and expansion of the appearance of goods, groups of associates, and organizational units:</p> <ul style="list-style-type: none"> • concentric D; • horizontal D; • conglomerate D
Vibrates for the share of power resources		Attract other subjects	For the protection of powerful and attractive persons
Investments	min	middle	max
Efficiency	min	middle	max
Risks	min	middle	max
Period	min	middle	max

The strategy of integrative growth is a more radical strategy, requiring much more serious means, but also involving deeper changes in both the production itself and the market position of the firm. Specifically, this includes projects for substantial product modernisation, development of new product designs based on an updated technical and technological base, development of new markets and deepening of positions in existing markets based on new and improved products. As a rule, own funds are not sufficient to implement such plans, so companies seek to attract third-party investors and project participants on various terms, ranging from equity participation to direct investment. The economic performance of such projects is higher than that of an intensive growth strategy.

Apparently, the structures of the technological lanyard are divided into *regressive* , *progressive* and *horizontal integration* (Fig. 4).

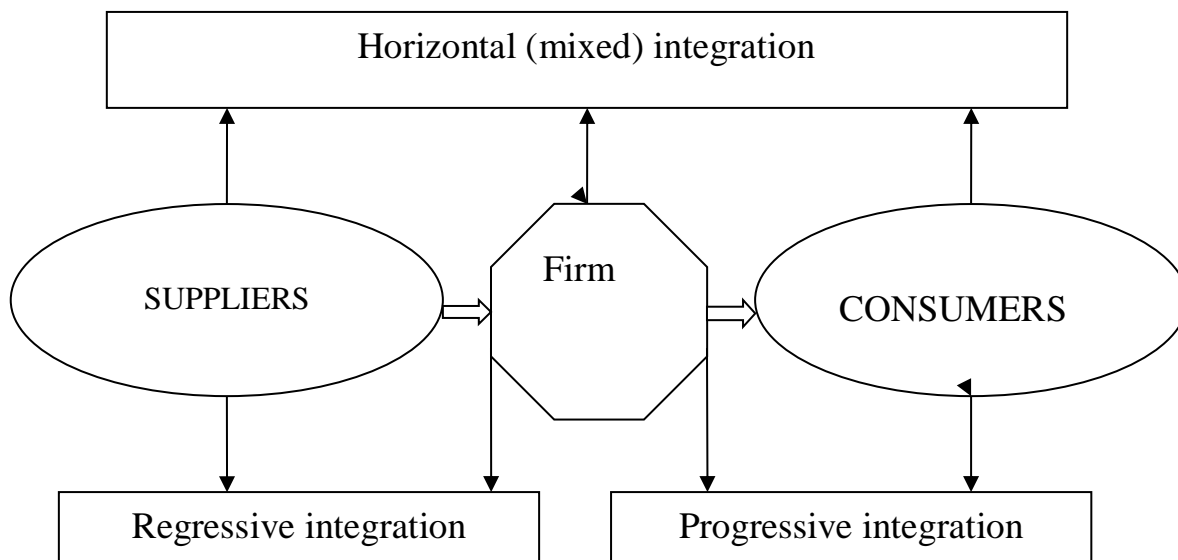


Figure 4 – Scheme of different types of integration growth

Scheme in Fig. 4 illustrates the meaning of the types: when a company merges with its customers, this is called regressive integration; as for those who live together – progressive; And both of them are mixed, or horizontal integration is the most faulty.

The strategy of diversification growth is the most costly, but the most effective and radical strategy. The fragments of approaches characteristic of the diversification strategy are even different, they can also be divided into 3 groups – concentric, horizontal and conglomerate diversification.

Concentric Diversification translates into an expanded assortment and nomenclature of products for the development and production of goods of the same group, the development of existing product lines, etc. Moreover, this is most often done on the same principle, but by expanding the technical and technological base, and mainly for the same group of residents. For example, if at an enterprise that specializes in the sale of equipment for printing production, organize a workshop.

Horizontal (unlinked) diversification - development of production, business, product lines for different, often unrelated, productions, on different technical bases, aka - for one or the other group of people iv. For example, if there is a gas station, there will be a store, a children's playground, a food service unit,

etc., and all this is intended to satisfy the needs of water users, tourists, and the population.

Conglomerate Diversification is a strategy for expanding business through investment in various industries, regardless of their profile, technical and technological features and the categories of employees. This strategy is in favor of large firms that have their own interests and are obliged to compete with the situation in the market and other external conditions. For example, many large firms have not only industrial units in their warehouses, but also waste complexes, utility facilities, etc.

In such a way, which is fundamental to all diversification strategies, including those that are aimed at active development, expansion, increasing the efficiency of the level of investment, etc., variability – at the same level, intensity information about all these processes.

After choosing a strategy, separate strategies are divided into functional ones - marketing, financial strategy, R&D strategy, strategic strategy, strategy in the social sphere, organizational strategy and strategy in field of ecology. The nomenclature of these warehouses may change depending on the specifics of the project.

I, it was decided that the final stages of this work are the completion, adjustment, optimization of strategies both for the coordination of conditions between the warehouses themselves, and for the management of the time, and for warehouse projects - a synergistic effect.

When choosing a strategy for a company, it is important to ensure its long-term development. For this purpose, it is necessary to respect all decisions that are made by the participants in the process - the shareholders; professional teams, and it is also necessary to reclaim past evidence, strategies that were stalled before, and the influx of an official into the future.

It is also necessary to understand the terminological nature of any strategy. This means that over time, both the external and the internal environment may change priorities, both in mind and in some way – to guide the goals of the project. To adapt the project to real minds, it needs to be constantly updated, monitored and adjusted.

5. Strategic planning within STP marketing

The current market has gone through several stages of development and continues to develop.

At the very beginning of the process (the beginning of the 20th century), the so-called *mass marketing was founded and developed*, since the process of promotion and sale of goods was based on a new approach to all potential buyers. Such a scheme would be possible for markets with mixed capabilities, both in production and in stagnation. For the blameless market, this scheme is not suitable due to the great variety of characteristic signs of goods among the impersonality of traders, as well as through the low effectiveness of the marketing strategy itself.

An absolutely different, fundamentally important approach lies at the basis *of individual marketing*, if an individual approach is implemented to each patient or to a wider group of clients (for example, micromarketing with additional Internet-network or network marketing). This method can be labor-intensive, but produces poor results, especially if it is used by managers, particularly employees, and others. Insanely, this is a quick and effective way, but not in connection with the totality of profiteers who are served in such a manner.

The middle position is occupied by *goal-oriented marketing*, which appeared in the 60s of the twentieth century and continues to develop successfully until now. It is based on the segmentation of companions based on their advantages and disadvantages. For emerging markets, this is the most optimal strategy, since it allows you to explore a significant part of the market and simultaneously capture the specific advantages of other groups of investors.

This process is shown schematically in Fig. 5.



Figure 5 – Development of marketing forms

Current strategic marketing is implemented through the triad: segmentation of the product market – selection of target segments – positioning of the product on the market. This complex is called STP - after the first letters Segmentation - Target - Position.

You can talk about the exact sequence of stages when analyzing the market within the framework of the STP-complex of strategic planning (Fig. 6).

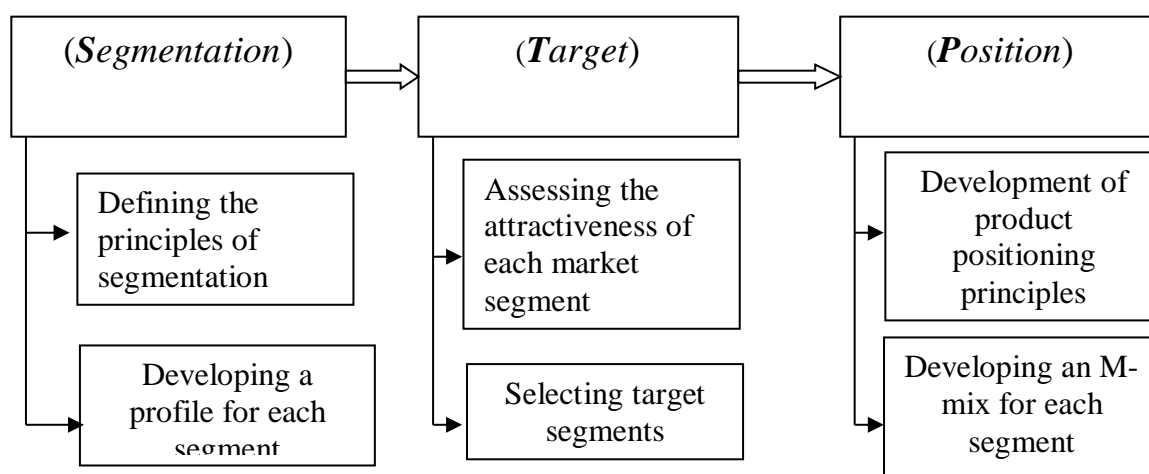


Figure 6 – Stages of target marketing based on the STP complex

The first stage of this work is market segmentation, then - selection of the target segment - and finalization - positioning of the product.

Thus, it can be concluded that the importance of market segmentation lies in the fact that it allows you to see *focal groups* of buyers and then use them to orient both in the sales process and in the production process.

6. Market segmentation

Market segmentation – the purpose of dividing a specific market into other areas_zones, segments based on the buyer's preference, the specifics of the product and the reaction to these and other marketing activities (price, advertising, promotion of the product, etc.).

Segmentation is necessary for two reasons:

1) heterogeneity of the market, fragments of it - the aggregate of different persons or organizations (living people);

2) the need and possibility of differentiation of goods for specific needs.

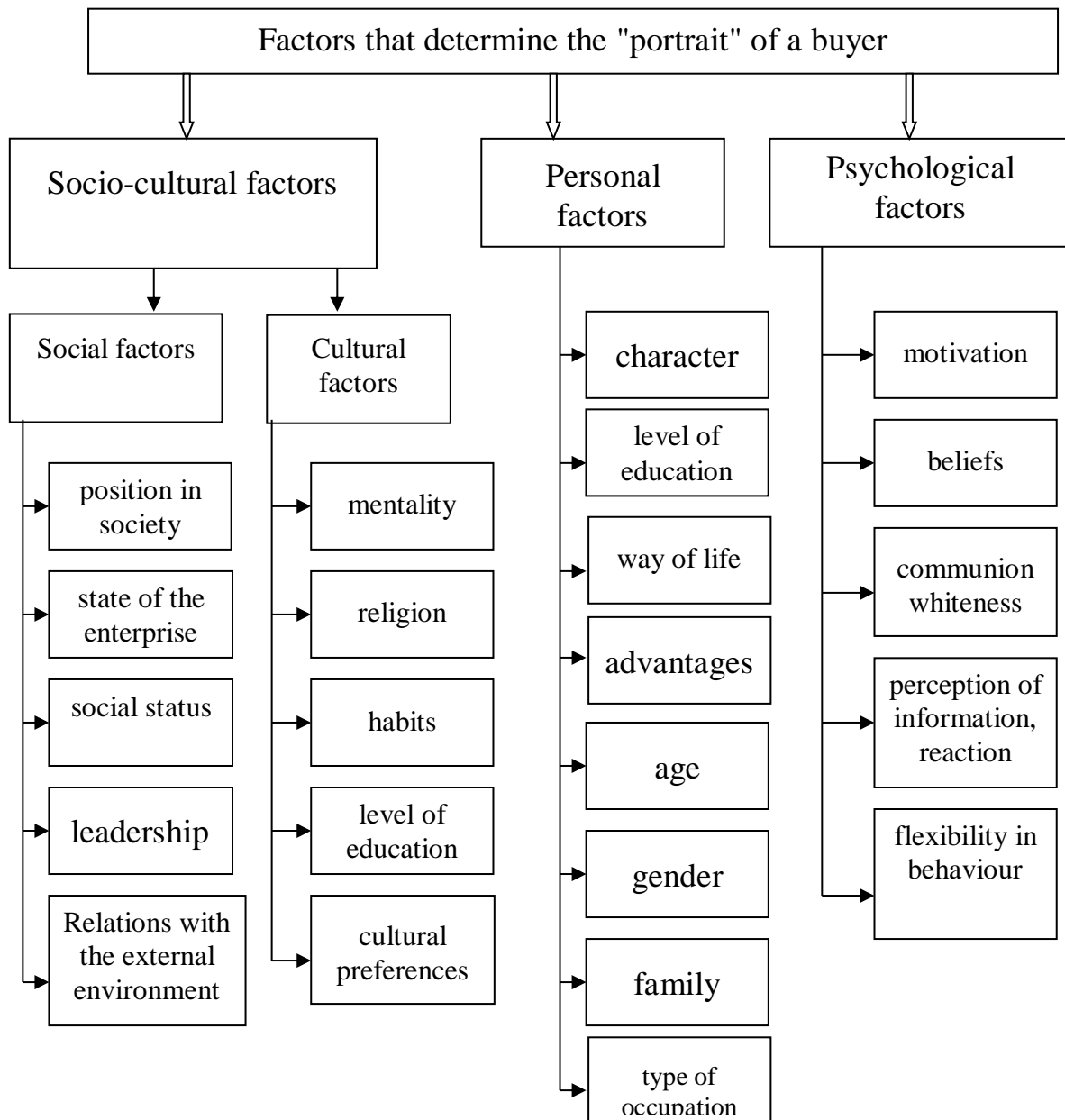


Figure 7 - Officials, what do they mean by the “portrait” of the buyer

Programs developed in the USA, VALS-1, VALS-2 (value and life style), divide marriage into 10 classes depending on the level of income, living principles, activity and status.

The final meta of any segmentation, which at the same time is the basis for carrying out the offensive stage of the STP complex, is choosing a company from the core of the target market of one of these segments.

7. Analysis of the profitability of target markets

The target market is the primary segment towards which the company focuses its marketing and marketing activities. In order to bring one or another segment of the market to the target, it is necessary to follow the following advantages:

- ✓ mother has sufficient volume;
- ✓ but we will add for the company;
- ✓ mothers accept the competitive structure;
- ✓ correspond to the goals and objectives of the company.

The first and most important parameter when choosing a target market is its size or market potential. The upper limit of market potential is the level of effective consumer demand expected in this segment. This value is sometimes referred to as potential demand. The lower bound is the industry average volume of products offered. This data can be used to determine market share for certain types of goods. The following indicators are considered:

- share of the market by sales volume, which is defined as the share of total sales of a given product in the total sales volume in the underlying market;
- market share in value terms;
- the share of the company in specific market segments in natural and varnish;
- Part of the market is clearly the leader and group of competitors.

Naturally, technically, this is a difficult way to conquer a task through the secrecy of information. Since there is no reliable data, it is necessary to use modern forecasting methods. More details about forecasting demand and consumption can be read in [21] and other handbooks and monographs on marketing.

After establishing the volume indicators, the transfer rate of the segment's profitability is established, taking into account that the profitability itself is the most important economic criterion. Further, the prospects indicate trends in the development or expansion of the market specifically for this position of the product. We can recommend a matrix of the profitability of market segments (Table 6) [16].

Table 6 – Matrix of profitability of market segments

Indicator of segment attractiveness	Market segment			
	A	B	Z	D
A look at the products that customers enjoy				
Market potential				
Rarity of profitability				
Segment dynamics				

If the segment has a high level of profitability, the company begins to assess the real and potential competitive structure, based on M. Porter's model of five competitive forces (Fig. 8).

As is known and can be seen from Fig. 8, Porter considers 5 competitive forces that shape industry competition and affect the firm's marketing activities - suppliers, consumers, substitute goods (substitutes), the intensity of market processes in this segment, and new, potential competitors.

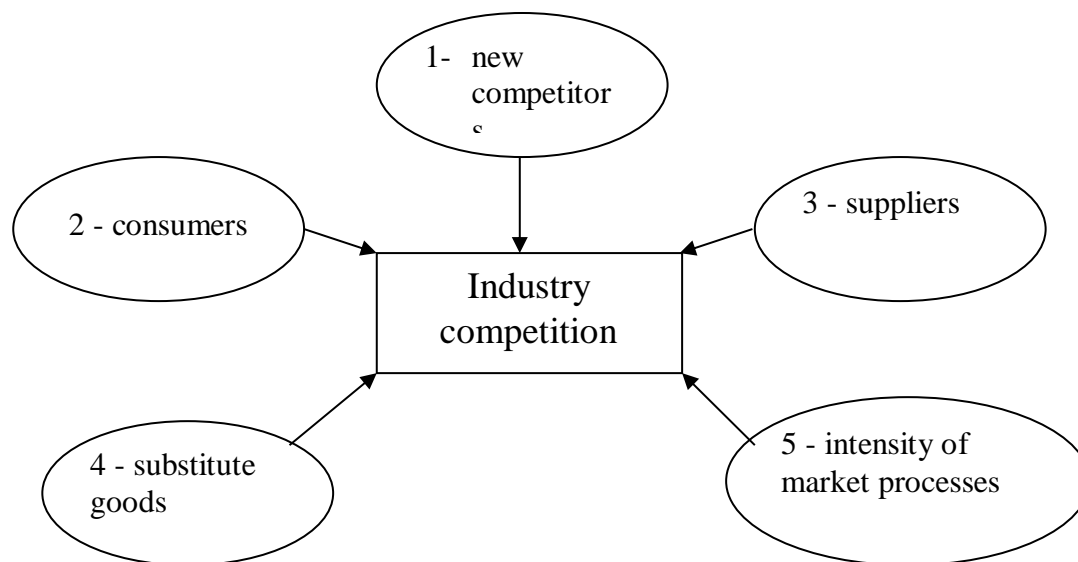


Figure 8 – Porter's forces of influence

Of particular interest, of course, are existing and potential competitors. To analyze this, it is recommended to analyze the market positions of the closest competing firms, their shares in the market and the dynamics of these indicators.

For this purpose, we determine the spread (dispersion) of S_i indicators of market share for these firms, and then rank them according to market share, apparently identifying leaders, firms with a strong or weak competitive position, outsiders. Then they are classified according to the rate of growth of the market share Ts_i and drawn, so to speak, as a “portrait of the market” (Table 7).

Table 7 – Competitive map of the target market

Classification of companies based on the rate of growth of market share, Ts_i	Leader $S_i > 1$	Strong competitive position, $S_i = 1$	Weakly competitive position, $S_i < 1$	Outsider $S_i << 1$
Swede has improved its competitive position				
Improved competitive position				
Improved competitive position				
Swede's competitive position has improved				

After conducting such a serious analysis, it is now possible to develop a powerful strategy in this market.

The deadline is the establishment of consistency between the goals and resources of the company. Here it is important to use a SWOT analysis, as already mentioned, in order to analyze the strengths and weaknesses of the company, the threats and opportunities on the side of the current environment.

The result of such an analysis may be a shift in planned approaches to achieve specific goals, at least in 4 positions:

- 1) organizational and marketing approaches;
- 2) production activities;
- 3) functional indicators;
- 4) staff, personnel

A market segment can be designated as a whole, as it provides the following benefits:

- The capabilities (resources) of firms meet the needs of the purchasing segment;

- The activity of the company in this saturated segment can lead to a positive result;
- The company correctly captured the market share of competitors in the selected segment.

In addition to the target market, there is the so-called market window and market niche. A market window is a segment of the market that has been neglected by competitors, while a market niche is a sector of the market to which a company's products correspond. The difference between a market niche and a segment is that a segment is larger the stronger the competition. Under favourable circumstances, a segment can turn into a set of niches and vice versa.

Having made the final decision on the target market segments, the company starts positioning its products.

8. Positioning of the product on the market

Position of a product is the value of its position, its place on the market among other similar products. The position is indicated by the thought of a group of target market participants that has formed about a product whose power has been leveled up to similar competitors. In other words, position is a concentrated view of a product in a given market.

Positioning is the formation of a unique image for a product, seeing its most important advantages and notable features equal to those of other products.

Technological positioning means choosing and presenting the most important characteristics of a product to a given target group. Therefore, position naturally follows from segmentation.

The image of a product is determined by a set of characteristics, among which can be seen in the largest group of indicators.

Of course, for the skin group of products, the nomenclature of indicators is specific, so there are the most characteristic groups, after which direct differentiation of indicators is established.

Differentiation is the process of identifying a number of unique features of a product, distinguishing them, differentiating this type of competing products.

The position is directly related to the differentiation in the sense of seeing the authorities that are characteristic and most important for a given product.

There are 4 main types of differentiation behind the object:

- 1) product;
- 2) from the service;
- 3) staff;
- 4) image.

The diagram (Fig. 9) shows types and instead of differentiation.

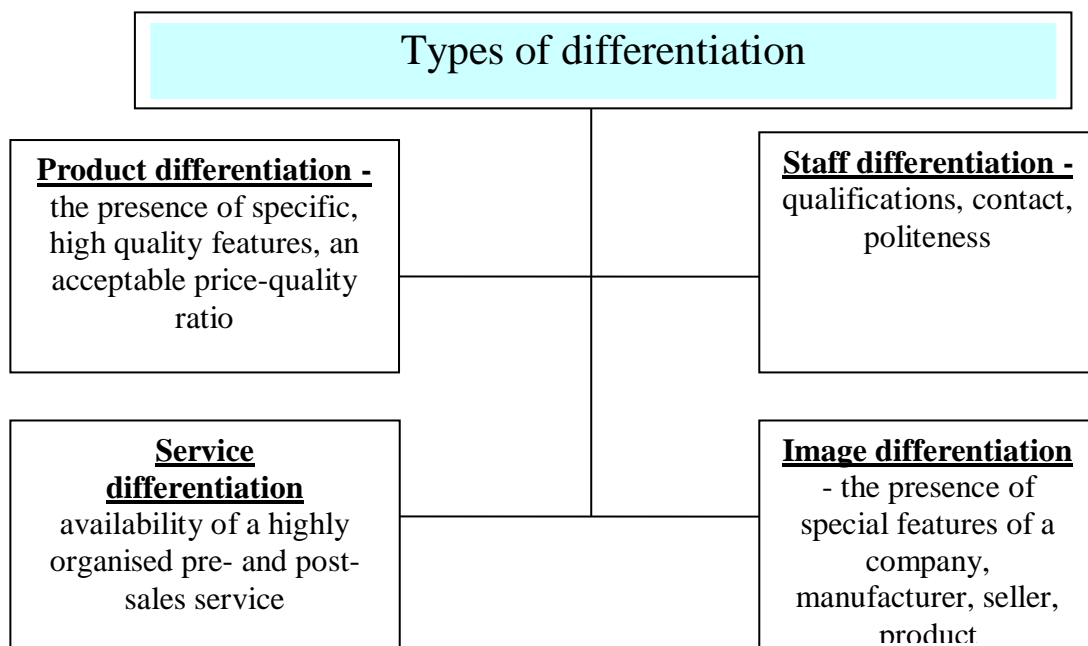


Figure 9 – Instead of types of differentiation

There are a number of strategic positions, which are based on different powers of the product and its infrastructure. The following can be added directly (strategies):

- due to the indicators of berry quality, the high level of which distinguishes this product from its competitor;
- for the relationship “price - intensity”, in order to find the optimal relationship for this category of goods;
- in comparison with the goods of other competing companies;

- beyond the sphere of living;
- for the level of service;
- for the positive features of living materials and technologies.

Of course, for a specific skin condition, the optimal strategy for the company may be selected, otherwise, if it comes to promoting the product and advertising that is based on such a strategy, it would be clear, stylish, bright and tolerant for the competitor.

Development of a positioning strategy allows a company to improve the competitiveness of its products. For illustration, it is recommended to create a matrix of product competitiveness (matrix of success by B. Karlef and S. Estblum), table. 8.

Table 8 – Matrix of success of B. Karlef and S. Estblum

Profitability	Part of the market		
	temple	middle	low
High			
Medium			
Low			

9. Competitive advantages and strategies

Competition – this applies to commodity markets and the growth of market economies, creating competition between neighboring market participants for the purpose of selling more of their products at the highest prices. and the number of markets.

The cutaneous pathogen cannot reject any additional benefits in the market compared to other participants. Such advantages are usually called competitive advantages. Thus, competition can be seen as the process of managing their competitive advantages in a specific market in order to achieve better results for other firms, while fighting against them within the framework of official legislation. In any event, competition will lead to an improvement in the results of work - an increase in the product quality, an improvement in the price-value ratio, and the like. Therefore, competition can have a destructive effect on the development of the state and the kingdom as a whole.

Competitive struggle requires constant tension, the influence of external and internal officials and others. – this is a stable, labor-intensive robot, but in this case it is only possible to insure a high result.

9.1. Concepts and types of competition and competitive advantages

Competition lies in a number of officials, and it is necessary to distinguish between types of competition and competitive advantages.

The most important official is the market itself.

Markets are divided depending on the intensity of competition on them.

Increasing markets are those where the strength of competition is low and it is easy to eliminate a high market result. For example, there are not enough information about the markets, as well as markets where there are not enough ideas for these goods, but there is a need for new ones, etc.

Dulled markets – stress the markets, otherwise you can rejuvenate, take back your position on the new one, and in addition, the companies themselves can no longer strengthen competition and support the competitive environment in the market.

Stressed markets - if the struggle between market participants is fierce and it is practically impossible to get into such a market or get involved in a new one. These are usually formed and the markets are closed.

Competition can be obvious, if similar products from different manufacturers compete, and functional, if substitute products compete, substitutes that replace one function, but compete for technological or other signs.

Competition is divided into the following types:

- localities – compete within an organization, group, or business within one region or another;
- regional – producers of neighboring regions, places, regions compete;
- national – producers from different regions of the same country compete;
- international – producers from different countries compete;
- global – compete with international corporations and others.

Officials who contribute to competition are given in the table. 9.

Table 9 – Officials, what influences competition

Sobbing official	Character in flux
1. Market size	The larger the market, the stronger the competition
2. Rate of growth of the market	The faster the market develops, the easier it is to penetrate and gain a foothold
3. The intensity of production and the scale of production	The greater the complexity of the enterprise, the greater the cost of production, the lower the price of production, and the easier it is to penetrate the market.
4. Input and output barriers	The more you can reach market participants (entry barrier), the easier it is for unprepared traders to penetrate, so that the level of competition increases and
5. Product standardization	The greater the level of standardization and consistency of goods, the easier it is for buyers to switch to other manufacturers, and the level of competition decreases
6. High technological base	The availability of advanced technology allows the manufacturer to be more responsive to market pressures and improves its competitive position
7. Price policy	The presence of a flexible pricing policy, which allows you to quickly respond to market intelligence and promotes the stability of the company

Competitive advantages have different natures and peculiarities; therefore, for the ease of managing them, it is necessary to classify them and divide them into separate groups:

- price officials – the price level is equal to the competitor’s price;
- non-price officials – leadership for the sake of justice;
- service officials – visibility and adequacy of pre- and post-sales service;
- operational officials – reduction of operating costs and simplification of operation;
- dynamic officials – terms of service, the level of organization of the production process, the presence of a synergistic effect;
- mixed - a collection of several ingredients.

In practice, all possible officials are inundated with insurance. If you need to understand that the work is complicated and laborious, then for this purpose it is necessary to look around the blocks, seeing external officials (micro- and macro-environment), internal officials and the possibility of adaptation of the company to the minds that have come together. After this, you can move on to developing a strategy and action plan.

In Fig. 10 guidelines for the algorithm of action from developing a strategy and plan for the development of a company to secure its competitive position.

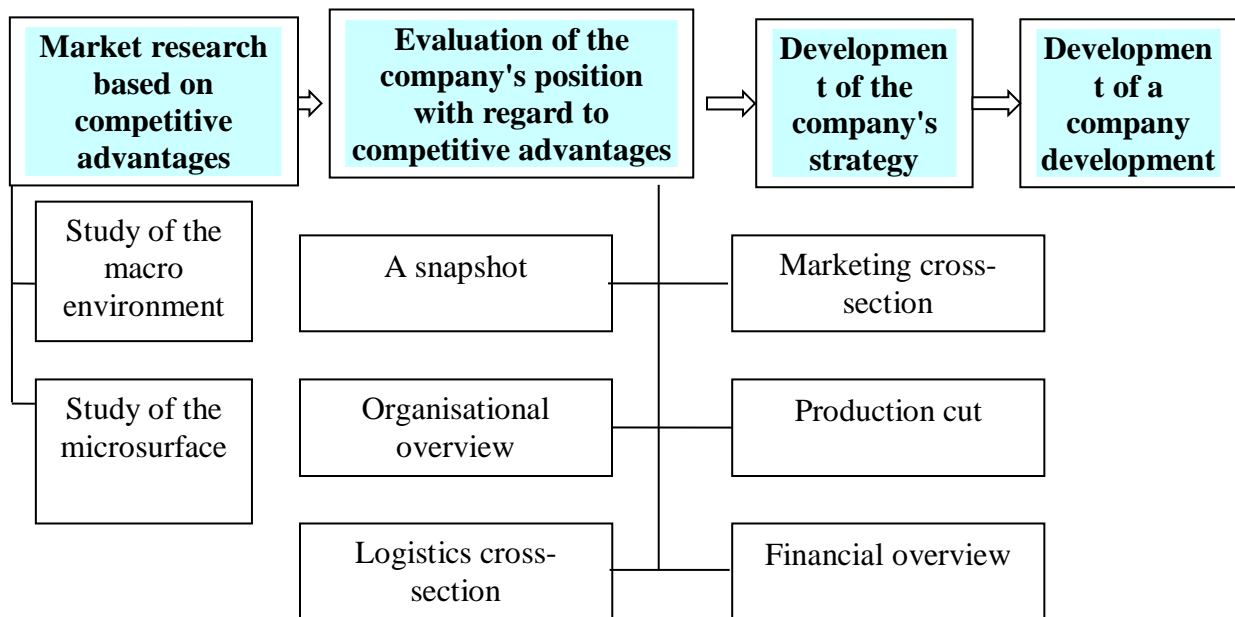


Figure 10 – Algorithm for developing a company's strategy to improve competitive advantages

As a matter of fact, great respect in this work is given to the assessment of the position of power and capabilities in various directions:

- marketing perspective – assessment of market power, product competitiveness, strength of competition, problems of market penetration and conquest, product distribution, etc.;
- personnel - selection and training of personnel, division of duties, incentives for work, etc.;
- generic food – resource and price aspects, installation, necessity and scale of overproduction;
- organizational aspect – organizational structure of the enterprise, necessity and scale of production, etc.;
- financial view – investment in the development of new production facilities, the price of capital, terms of capital return, money, terms of lending, etc.;
- logistics - optimization of commodity flows, including the transportation of raw materials, materials, and finished products.

When carrying out such an analysis, it is possible to use different methods that are based on point estimates. This allows you to reduce anonymous exhibitors to one banner. For a graphical interpretation of the obtained results, you can use the development of the officials' radar or trade diagrams to assess the level of business behind the official.

9.2. Environmental analysis

Let's take a closer look at the three stages of analysis of marketing focus – macro-environment, micro-environment and internal officials.

Macromedia analysis includes the following warehouse components:

- Economic – dynamics of gross domestic product; formation and distribution of resources; inflation; rhubarb unemployment; tax policy and legislation; balance of payments structure; normal accumulation; credit rate.

- Legal – laws, regulations, their clarity, adaptability to the real situation, development; methods of pursuing your interests within the framework of the law; fluidity of the ship system.

- Political – the peculiarities of the political system, its democracy; features and methods of policy implementation; mutual power and opposition; investment climate; stability in marriage; a world of persistent dissatisfaction; struggle for power; prevailing ideology.

- Social – the intensity of life, background, religion, values, demographic situation in the marriage, level of education, mobility of the population, attitude towards work.

- Technological - innovative climate in the enterprise and in the region in general, and itself - the creation of new products; research on new technologies; modernization of the existing machine park and products that are produced.

Analysis of the microenvironment and the extreme focus of the company is based on the situation in organizations and companies that have constant operational contact. To lie before them:

- Buyers - geography, growth of merchants; demographic characteristics of the resident; social-psychological; relation to the product; form of payment and so on. For industrial enterprises-buyers, there will be other officials, such as

consumer services, procurement procedures, logistics officials, relationship with the postal supplier, the level of trust and image of the postal company, the availability of the service. Thorough maintenance etc.

➤ Suppliers – nomenclature of materials that will be delivered, their content, prices, delivery volumes, etc.; quality guarantees; the level of specialization of the postal owner, his reliability; The history of the relationship between the postal owner and the buyer; the strength and strength of connections between these companies; what are the risks and advantages when changing postal workers; What a world of longevity is there for this postal worker.

➤ Competitors include companies that operate in this market, as well as those that may enter the market in the near future. In addition, here it is necessary to add companies that are engaged in the production of substitute goods and all kinds of substitutes. When interacting with the activities of these subjects, it is necessary to evaluate their strengths (advantages) and weaknesses (shortcomings) in relation to their own company, to understand how they can identify their competitors advantages and weaken the influx of weak factors.

➤ The labor market is the structure of personnel, the level of their qualifications and training; specialization for personnel; particular characteristics (age, age, breed, etc.); work force versatility; presence of professional staff.

Analysis of the internal core – this part of the global middle, which includes all the warehouses of the enterprise itself, the company and is characterized by 5 groups of officials, who are seen behind the functional sign.

➤ ***Personnel*** - first of all, mutual relations between managers and workers; the order and effectiveness of the system of recruitment, training, training and promotion of personnel; evaluation of work results, payment and incentives for work; social climate among the team.

➤ Organizational cut – organizational structure of the enterprise; communication processes between participants in the production process; norms, rules, procedures adopted at the enterprise, their effectiveness; division of rights and obligations, hierarchy of subordinates.

➤ Production cut – technology of production; organization of production services; organization of warehouse management, delivery, logistics; the level and effectiveness of innovation policy in enterprises.

➤ Financial profile – level of financial stability; maintaining the level of liquidity and profitability; increasing the level of capitalization of enterprises; Creation of a favorable investment climate in the enterprise.

➤ Marketing aspect – product strategy of the enterprise; pricing strategy; strategy for placing goods on the market; select markets; selection and effectiveness of the product delivery system.

It is necessary to understand that all types of analysis, which are all about, are interconnected blocks, since we are talking about one and the same enterprise, firm. Therefore, it is important to use SWOT analysis as one of the effective ways to conduct a comprehensive assessment of the situation with regard to external factors and the internal state of the enterprise. Since there is such a possibility (the availability of output data), it is necessary to use different methods of SWOT analysis.

Additionally, on the basis of SWOT analysis, it is recommended to have matrices of possibilities, threats and a profile of the environment – table. 11, 12 and 13.

Comment to Table 11:

situations that are characterized by a high degree of probability of vicinity of possibilities (VS, VU and VM), – it is necessary to obligatory victorious possibilities (position 1);

situations typical for the fields SS, SU, NS (position 2) – to be victorious in the event of availability of resources;

situations NU, SM and NM (position 3) – throw out, pour the fragments into the process weak.

Table 11 – Possibility Matrix

World of possibility	Influx on the activity of the company		
	Stronger	Moderate	Low
High	Sun	VU	VM
Medium	SS	SU	CM
Low	NS	WELL	NM

Table 12 – Threat Matrix

The likelihood of the threat being realized	Possible inheritances			
	Destructive	Critical camp	Important camp	Light "hits"
High	VR	VC	VT	VL
Medium	SR	SK	ST	SL
Low	HP	NK	NT	NL

Comment to Table 12:

situations of VR, VC and SR are characterized by a high degree of threat implementation, in which case it is necessary to identify the cause of such a threat;

situations NR, SK, VT – there is a high risk of threat; it is necessary to ascertain the situation and at times of need - accept calls;

situations NK, ST, VL – the level of threat is less, but monitoring the situation is necessary;

Situations NT, NL I SL – the threat is low, it is possible to remain unaffected.

The profile of the middle will also be based on the results of expert assessments of skin indicators and officials (Table 13).

Indicator A - characterizes the degree of importance of each environmental factor for the industry using a 3-point scale:

3 – strong influx;

2 – dead inflow;

1 – weak influx;

Indicator B characterizes the influx of the cutaneous mediator into the organization using a 4-point scale:

3 – strong influx;

2 – dead inflow;

1 – weak influx;

0 – daily activity.

Display C – directly in line with the official (either positive or negative):

+1 – positive;

–1 – negative.

It is necessary to select the most important officials who are involved in the situation, and the number of them should not be exceeded by 5–7 positions.

The butt of the matrix for the profile of the middle of the guidance in the table. 13.

Table 13 – Matrix “Profile of the middle class”

Officials of the middle	Importance for the industry, A	Inflow to the organization, B	Straight through the water, C	The final indicator, D = A B C
1.				
2.				
3.				
4.				
Everything				

The midlife profile allows managers to evaluate the influx of the skin official from the situation directly inflow (positive or negative), and then analyze the

situations that see the most important positive or negative positions. After this, the development of the strategy can begin.

9.3. Types of competitive strategies and their characteristics

With the great impersonality of competitive strategies determined by the type of markets, the goals of the company, various external officials, etc., one can see 4 main ones:

- 1) developments and developments;
- 2) support and strengthening of positions;
- 3) protection of the position that has developed;
- 4) View and exit.

Encourage companies to choose the strategy that best suits the company's goals, market position and, in particular, the internal components of the company.

In this case, one of 4 possible positions of the company on the market is insured:

- Dominant position on the market. The company is a market leader; Our market share is close to 30%.
- A position of joint dominance with a competitor. There are several strong producers on the market, these are the joint leaders. They have large market shares (30%) with specialised competitors in their niches (5%).
- Growing power and significant share. The company has a majority share of the market. This is a rival or successor company that has good prospects for the rejuvenation of a large part of the market.
- The situation that is improving on the market, including dominance in the narrow segment of the market.

In this regard, you can create a table of the possible market structure and share positions of firms (Table 14).

Table 14 – Structure of the market and share positions

Structure of the market	Monopoly (one firm dominates)	Sleeping room (dominated by 2 companies)	Equal oligopoly (three or more firms with equal shares)	Structure fragmented
Market positions	<p>Panic leader (30%)</p> <p>Remaining participants of the market:</p> <ul style="list-style-type: none"> • large, but not a leading company (20%); • competitors in small market niches with a share of approximately 5% 	<p>Two leaders of the market (30%)</p> <p>Remaining participants of the market: specialized competitors in niches with frequent market share of 5% or more</p>	<p>3 or more competitors (15%)</p> <p>Remaining participants of the market: specialized competitors in niches (5 %)</p>	<p>The market of divisions between a large number of peers and many competitors (5%)</p>

In terms of market behaviour, there are three main types of strategy:

1) Low cost production, cost leadership, i.e. achieving the lowest costs in the industry.

2) Differentiation - searching for ways to differentiate one's products from those of a competitor.

3) Focus or niche, concentration, i.e. focusing efforts on a narrow niche of the market rather than the entire market.

Table 15 shows the main distinguishing features of all three types of competitive strategies.

Table 15 – Significant powers of competitive strategies

Typical signs of strategy	Types of competitive strategies		
	Cost leader	Differentiation	Concentration (focus)
Strategic meta of the company	Expansion of a significant sector into the market	Expansion of a significant sector into the market of related goods	Purification of a narrow, specific product niche
The basis of competitive advantage	Lower costs compared to competitors	The ability to provide buyers with special, competitive services, product power, etc.	The consistency of the product and service to the advantages of the merchants of this industry
Range of products produced	Acid base product with few modifications	Rich assortment, wide choice of models with an emphasis on specific power	Add a narrow, specific assortment that reflects the benefits of clients in this niche
Virobnich's tactics	Continuous search for shlyakhs to reduce the cost of production while saving the cost of production	The development of routes will provide additional value to the product for the buyer	Adaptation of production to the benefit of the farmers of this niche
Marketing tactics	Adaptation of products to reduce costs	1) Emphasis on what powers the buyer can pay for; 2) uniform pricing policy	Emphasis on the special power of the product that satisfies the specific needs of the buyer

The low cost strategy is based on the presence in the market of a large number of buyers responding to price changes. In these minds, a company that can ensure low costs wins and has a strong advantage over other market participants.

To reduce costs there are 2 principles:

- consistent work to reduce production costs throughout the entire cycle of production and sales of products;
- analysis of the overall structure of expenditures using the method of reducing and eliminating them from expensive and effective technologies.

The grievances of these approaches need to be dealt with promptly - otherwise it is impossible to ensure a satisfactory effect, as long as the company is technically unavailable.

A company with low costs is protected from all 5 competitive forces:

- clearly competitors - because the lower price will ensure the promotion of drinking while maintaining high viscosity;
- It is clear to buyers - because the price is set at the same level as the minimum, anything lower is hardly possible;
- It is clear that postal workers - with the high efficiency of their generation, increase the prices of postal workers - does not completely ruin the situation;
- clearly potential newcomers – low costs of the main subject in this market – a strong barrier to the penetration of unprepared newcomers with high costs;
- obviously substitute products - low price - a perfect guarantee of a better product for an already familiar and previously inexpensive product.

However, this strategy also has its risks and dangers. The problem is that in the struggle to reduce costs, a company should not get "stuck" on this work and overlook shifts in production technology, changes in demand for other goods, changes in service requirements, etc.

The differentiation strategy means that the manufacturing company is focused on the advantages of not every market as a whole, since it is already wide, but the range of advantages is limited to just one small part. For this purpose, it differentiates, changes products, vibrates, and maintains a niche. In other words, differentiation is the variety of types and types of products that evolve under specific, possibly changing series. The following are direct differentiations:

- technological advances and features;
- the specific brightness is increased;
- a great set of “related services, services”;
- the value of the product for the same price has been increased.

Successful differentiation helps a company achieve a number of tasks, including the most important:

- ▽ production and implementation are clearly planned;
- ▽ popularization of the company's brand and brands among a wide range of business owners;
- ▽ increased prices for the supply of high power and special powers;
- ▽ The mobile internal policy of business is driven by the need to change technology and develop specific products.

At the same time, differentiation is associated with certain risks and may have serious problems. Among them are the most important:

- there will be a great expansion of problems associated with the development of changes and differentiated products;
- the expansion of the risks is due to the need for investment to ensure the production of differentiated products;
- the need for comprehensive marketing analysis of markets in search of competitors for differentiated goods.

In general, this is a progressive, carefully risk-taking strategy that, when qualified, produces high results for an organization.

The strategy of concentration (focus) transfers the work of a company not to every market, but to a specific part of it, a niche specific to which a company can satisfy.

The market niche in which the firm is expected to operate must meet certain requirements, namely

- the market segment must be sufficient to generate profit;
- the segment must have the potential for development;
- the firm has no or significantly weaker competitors in this segment;
- the firm has sufficient financial, resource and intellectual capabilities to serve its customers effectively.

You can indicate the following principles for seeing niches in the global market:

- geographical sign;
- special technological advances in production;
- special operating conditions and safety;
- special aesthetic benefits.

The concentration strategy can be followed in three ways:

- reduction in costs and price advantages due to the adopted product range;
- differentiation of products for the benefit of competing niches;
- The strategy is mixed if it is possible to reduce costs and create special features (differentiation) for your products.

The policy of concentration is successful if there is a wide market with a great diversity of specific benefits, volumes, which allows us to identify part of the market as a set of special investors, so that we have a niche. daily for the company. It is also important that this niche was not advantageous for other producers.

The concentration policy involves certain risks.

First of all, you need to talk about the competitors who may be able to expand the niche.

In another way, the development of fertilization, differentiation of products, inevitably with concentration, can lead to the dilution of niche boundaries, and this is not a concentration, but a further differentiation, which draws on other resources, etc.

And, I agree, it is necessary to talk about the insecurity of the short-term obligations of production associated with work in a university niche. In this situation, the reduction of expenses, especially indirect ones, is more relevant.

In general, the concentration strategy emphasizes careful development of the market, constant monitoring of the situation in one's niche, uninterrupted work and shortened expenses.

9.4. The choice of strategy depends on the strength of competition in the markets of sellers and buyers

The behavior of the product manufacturer and its strategy are directly influenced by the strength of competition and the view of the market of sellers and buyers.

There are 4 types of seller markets.

- ***A market of thorough (pure) competition***, with a lot of sellers and buyers, strong competition among sellers, free access to the market.
- ***The market of monopolistic competition***, in which there are a lot of manufacturers of similar products, and other types of leather are subdivided into products that are produced by others (this is the ultimate monopoly of the manufacturer); The strength of competition is less, but access to the market is difficult.
- ***Oligopolistic market*** – there are few sellers and distributors, the market is divided, competition is weak, and access to the market is difficult.
- ***Monopoly***, if there is one monopolist-producer and many buyers; competition on a daily basis; blocking market. Strictly speaking, it is no longer a market like that.

There are 3 types of buyer markets:

- * polypsonia, where there are a lot of buyers;
- * oligopsony, number of buyers;
- * monopsony, where there is one buyer.

It is important to understand the types of markets of producers and buyers, and the strategy of the company will change.

In table 16 presents possible options for the company's behavior in different types of buyer and seller markets.

Table 16 – Types of strategy of traders according to types of markets

Types of markets of buyers	Types of strategy of manufacturing companies			
Polypsonia	1. Systemic innovation activity	2. Local innovation activity	4. Concentration on the target market	7. Horizontal diversification
Oligopsony	It is necessary to meet rarely	3. Complex differentiation and integration	5. System integration	8. Local diversification of activities
Monopsony	Options are extremely rare		6. Adaptation of sellers to buyers	9. Adaptation one to one
Types of sellers' markets	Pure competition	Monopoly competition	Oligopoly	Monopoly

It is important that due to the growing force of competition, the innovative activity of enterprises is increasing. Thus, while monopolists manage to lose their position in the market mainly to organizational innovations, then manufacturers who operate in the damaged markets for the minds of strong competition are forced to succeed in achieving a rich gray significant innovations. For example, in oligopolistic markets, systemic integration or concentration on the target market is required; pure competition influences systemic innovative activities and so on (Table 16).

Of course, these types of strategies are not exhaustive. In each case, you need to take into account your specifics, the characteristics of the product, market, consumers, etc. The most important factors in this set are the manufacturer's place in the market, its position; the mission of the manufacturer; the stage of the life cycle of the company and the product and other situational factors.

Table 17 shows the content, features, and conditions for the use of individual strategies.

Table 17 – Types, characteristics and meanings of different strategies

Generator strategy type	Features of the strategy	Terms of use of the strategy
1. Systemic innovation activity	The large number of breeders and breeders results in strong competition. This requires maximum integration of all capabilities of the company, technology, marketing, etc.	Large unsecured demand for goods. Prospects and reliability of investments. High scientific and technological potential of the industry. Innovative activity of managers
2. Local innovation activity	The large volume of the market and the number of buyers increase competition among manufacturers. This stimulates increased bone mass and reduced production costs. This is a complex and expensive strategy. Profitability level is low	The number of obvious “university places” between the product and the winemaker. Lack of product competitiveness. The need to search for effective, new, expensive solutions. Identification of features and exclusive advantages for implementing such a strategy
3. Complex differentiation and integration	An increase in the number of buyers when exchanging a number of buyers results in the search for increased product quality, improved service and related products and services. Before you get along, you need to get involved, and for that, you need to differentiate your work and integrate with other participants in the process	The presence of “university places” in relation to the product and production is on par with competitors. Reduced to the same level as others. The presence of exclusive powers and superiority among a competitor and his product. Weak entry barriers to the market. Reach a high rate of return
4. Concentration on the target market	Several manufacturers satisfy the needs of wealthy buyers, which creates strong competition among buyers. At the same time, it does not stimulate competition among growers. Since the market is diverse, it is obvious that the market should be concentrated on one target segment and concentrate on a new focus	The significant person will pay for the goods. Great market capacity. The market is varied in terms of geographic location, prices for materials and labor resources, advantages, etc. The vibrator can select the target segment that is most important for a new target and concentrate on the fatty ones. Weak competition in the sellers' market, which stimulates investment, entry of new participants into the market, but does not stimulate increased competitiveness of the product

5. System integration	The presence of a few producers and a small number of traders creates strong competition in the market and stimulates increased product availability and lower prices. Increased integration of “forward” and “backward” increases efficiency and leads to a synergistic effect	The presence of integration reserves both with post-owners and with existing products. Integration horizontally and vertically, according to life cycle stages. The producers have basic values for further product development and production. Unstable market and high entry barriers
6. Adaptation of sellers to buyers	A dozen winemakers satisfy the needs of one buyer. Strong competition between growers encourages them to increase their capacity, adapt, adapt before purchasing and are able to reduce the price	Demand for the product is low and limited to one buyer. Competition between producers is strong. The consumer has established good contacts with the producer and does not want to change anything. The producer is unable to switch to a new product or market

Completed table 17

Generator strategy type	Features of the strategy	Terms of use of the strategy
7. Horizontal diversification of the company's activities	One distiller produces products for wealthy people. The scientific and technical potential is high. Reduced resource capacity is not a critical factor for the grower. The rate of return is high	The focus on the product is high and it foregrounds the proposition. The vibrator has exclusive advantages that allow you to be a monopolist. Therefore, the manufacturer is expanding production and opening new markets
8. Local diversification of the company's activities	One manufacturer produces goods for several customers. The scientific and technical potential is low. Increased sales volume is expected due to the development of new markets	The presence of exclusive competitive advantages of the grower, which allows him to be a monopolist. Daily replacements for goods. Prices for goods are set by the manufacturer
9. Adaptation	The product is released by one manufacturer for one person. The scientific and technical potential of the plant grower is low	The manufacturer does not have the technical or financial capacity to switch to other products. The survivors and the vibrator will adapt, adapt one by one

In general, it can be said that due to the growing force of competition in the market of sellers and buyers, the complexity of production, availability and competitiveness of products increases, the level of operating costs and costs

decreases. They At the same time, the profitability of production and other current economic indicators may decline.

In this way, one can confidently assert that competition is an incredibly positive force that promotes the effectiveness of production as a whole. However, for the grower, competition creates additional complexities in a tactical and strategic plan.

10. Technologies of strategic analysis and matrix methods of strategic planning

From what has been said, it is clear that with strategic planning it is often possible to achieve larger models, which allow us to evaluate the future development of the field in the categories of “more - less”, “more - more”, which can show the potential of the process. Such methods of strategic analysis can be advanced by the most common use of larger models and matrices.

1. The concept of the product life cycle (PLC).
2. Experience curves.
3. Portfolio analysis method (Boston Consulting Group matrix - BCG matrix).
4. GE or McKinsey matrix.
5. Ansoff's methods.
6. Porter's methods.
7. PIMS model.

10.1. The concept of the life cycle of the virus

The concept of the life cycle and the life cycle itself depicts the dynamics of sales hour by hour, which has a certain historical aspect. Therefore, it can be viewed as a strategic method, based on the fact that sales trends similar to the power of products in nearby markets are significantly preserved.

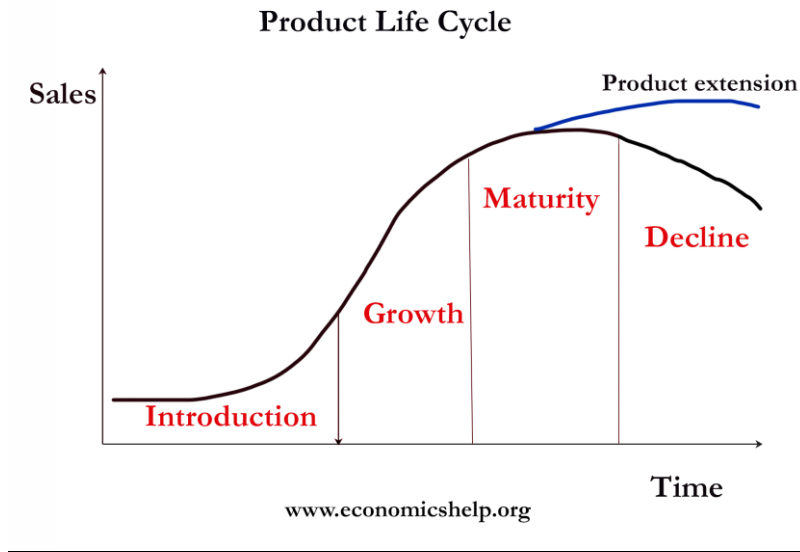


Figure 11 - Product life cycle curve:

I - product research and development; II - product introduction; III - market expansion; IV - advantage exploitation; V - product maturity; VI - market saturation; VII - product withdrawal.

The life cycle has a characteristic structure (Fig. 11) - the ear stage, when the virus has broken down, its production is being prepared and it is gradually introduced to the market. Then the stage of growth and stabilization at a high level of sales volume – the stages of growth and maturity. Next is the stage of decline and exit from the market. The circuit is covered in more detail in section 11.

Different products also have different structures of LCA, depending on the quality of the product, the level of management at the enterprise, the quality of marketing and other factors. Nevertheless, there are common, typical features inherent in the LCA of various products at present:

- Leather goods are available in the market at an early hour;
- Any product, regardless of its size, goes through all stages of the life cycle and inevitably leaves the market;
- The travails of life cycles in today's minds are constantly being accelerated by the acceleration of scientific and technological progress, globalization and the development of communications;

- the assignment of any manufacturer to the product - the continuation of the most favorable phase of the life cycle - the maturity phase;
- At the growth stages and during the period of maturity, per capita income increases, then stabilizes, and then inevitably decreases.

With sympathetic external minds and competent management, the structure of the life cycle can be improved in order to extend the period of maturity through marketing, modernization of production and improvement of the product itself. This is due to the economic efficiency and prospects of the product on the market.

Advantages of the method

1. The development of any product in the market (sales volumes) is viewed in dynamics, in a historical aspect.
2. The entire period of a product's presence on the market is structured so that a comprehensive approach is implemented.

Shortcomings and limitations of the method:

1. The life cycle curve itself will remain in these past periods, so such a curve will need to be gradually corrected. In addition, there are purely technical foldings in case of the most crooked life cycle.
2. External market officials, including real economic minds, real competition in this market at the moment and the real state of production technology are not covered.
3. Possible situations, if short-term opportunistic officials can create a picture.
4. The life cycle curve becomes stagnant at the very early stages of planning, and it still provides guidance about the process.

The strategic significance of the life cycle theory is that each stage has its own objectives, its own marketing mix, its own strategies and different management goals and orientations. In this regard, it can be recommended that you first clearly identify the position of the product in the life cycle (at what stage of development the product is) and only then develop an appropriate strategy and means of its implementation.

When combined with other methods of strategic planning, the vicarious approach to the life cycle method gives poor results. The most important nutrition

is the availability of reliable and sufficient information to determine the life cycle curve.

10.2. Let's face it

Experience curves relate two quantities over a period of time:

- unit costs;
- production or sales volume.

In this category, the concept of “evidence” includes the hour and results of the manufacturer’s entry into the market. At the same time, it is obvious that the higher the production (sales) commitment, the lower the cost per unit of production. Due to the shortening of constant waste, the quality of a single product is reduced and the resistance to the virus is reduced. For clear planning, it is important to know in which world such a decline is expected, as the costs will greatly increase on economic indicators and so on. It is clear that each specific skin condition has its own specificity and is subject to underlying trends.

To ensure the supply of these foods, American investigators carried out a comprehensive investigation and established the following steps:

- with skin infection, the cost of production per unit of product changes by 30–40%. This is due to the change in constant losses in product sales. When changing production obligations, different dynamics emerge (Fig. 12):

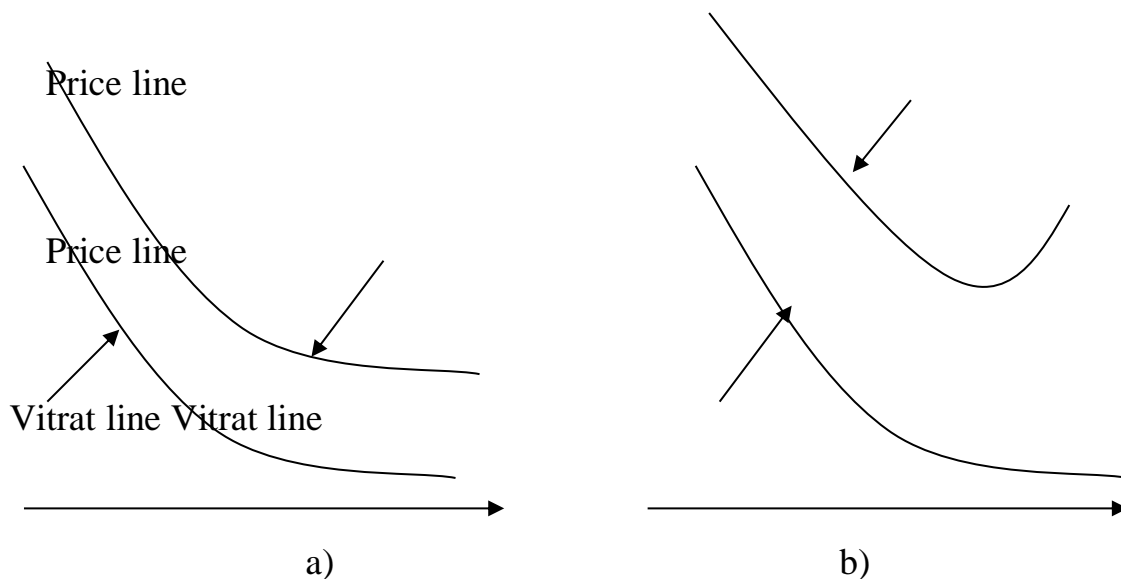


Figure 12 – See the curves clearly:

a) stable situation; b) unstable situation

* **a stable situation** if the price change repeats the change in price;

* **The situation is unstable** if the marketability decreases, and the price can change according to its own laws, so that it does not repeat the dynamics of the marketability. This happens when the market situation changes, when force majeure situations arise and loom due to the influx of different officials.

For a comprehensive assessment of the process, a CVP-analysis is used (from the words cost – expenditure, volume – volume, price – price), which is based on the vicoristic data about the structure of expenditures for production and its influx on the main indicators is valid sti entrepreneurship - spend, oblige vipuku, profit.

CVP analysis makes it possible to identify a number of important quantitative parameters that indicate the zone of effective work of the company, such as the break-free point, the stock ratio and the operational importance:

1) **break-free point** – this is a critical step in production, in which the volume of implementation is increased, $B = P_{rich}$. Coming from this relationship, we designate the break-free point behind formula (9.1).

$$V_{\text{without voltage}} = V_{DC rik} / (C_{vir} - Z_{zm. od}), \quad (9.1)$$

where $V_{\text{breakeven}}$ is the volume of production (sales) corresponding to the breakeven point, units; $C_{\text{post. yr}}$ is the annual fixed costs, thousand UAH; P_{vt} is the unit price of the product at the manufacturer without VAT, UAH/unit; $V_{m. un}$ - variable unit costs, UAH/unit;

2) **the stock ratio** (K_{ap}) shows how much the product is planned to be released beyond the break-even point. The minimum value of this coefficient is no lower than 0.3, however, with smaller values of the unsatisfied risk, it can lead to an unsafe closeness of the actual volumes to the break-free point and the overcrowded zone. The reserve coefficient is calculated using formula (9.2).

$$K_{zap} = [(V_{plan} - V_{free}) / V_{plan}] \geq 0.3, \quad (9.2)$$

To the reserve – reserve coefficient; $Plan V$ - the planned plan for the production of plants, for which the planting process is carried out;

3) **operating leverage**, DOL. The value of this value is determined by the size and level of constant costs of the product. Here you go, here you go, and DOL. This is achieved through a series of innovative processes - for the implementation of innovative required materials, which are formed by the shell of constant waste. As a result of the implementation of an innovative project, the efficiency of the enterprise increases, and due to the increase in the cost of warehouse costs, the risks for the production flow of the enterprise increase. Therefore, the greater the operational importance, the greater the profitability of the project or enterprise, and the greater the peace of mind. The operational value is indicated by formula (9.3).

$$\text{DOL} = (\text{G}_{\text{post}} + \text{Pr}) / \text{Pr}, \quad (9.3)$$

where DOL is the operating leverage; Cpost is the fixed annual cost; P is the annual profit.

Advantages of the method:

- It relates to market share (sales volume), profitability, price and cost structure;
- It promotes cost management and promotes rational government;
- shows that, on the one hand, investing in future developments will bring profits to the future. On the other hand, we are assessing the level of risks at the time of project implementation and increasing the current economic indicators.

Shortcomings and limitations:

- method is applied to mass demand products with large sales volumes;
- different costing methods can distort the results. This applies to a greater extent to the calculation of fixed costs;
- the results may be distorted by external factors, as the DOL calculations are based on an urgent approach.

10.3. BCG Matrix (Boston Consulting Group)

This method is based on a financial theory about the different nature and effectiveness of investments. This method is called the “market portfolio method”. In this case, the product is viewed as an investment. Moreover, there are a number of types of investments, which are divided by the level of expenses, risks, efficiency, terms of project implementation, etc.

Based on this, we can talk about investments of the 1st, 2nd and 3rd types, the characteristics of which are given in the table. 18. The main considerations when managing the development process of a company are to invest or not to invest money in a product (project), what money, for what period, in what product, etc.

The cost of developing a product strategy for new products can be compared with medium and large investments, and development and modernization can be compared with low ones.

Table 18 – Investment characteristics

Type of investment	Content of the work, project	Profitability	Implementation term	Risk level
Low (up to 50 thousand \$)	Modernization, advanced production, production	min	about 1 year	min
Middle (500 thousand - \$1 million)	Technological change, modernization of production, development of a new type of virus	middle	1–3 year	middle
Great (more than \$3 million)	Structural development, large technical, technological and social projects	max	More than 3 year	max

The task of the enterprise is to balance the investment portfolio. It is determined by the rate of market growth and in part the market for a given product is related to the largest competitor.

Schematically, the situation is represented by the BCG matrix, as it will be in the coordinates “rate of market growth” - “part of the market” and is 4 quadrants.

In principle, the BCG matrix was generated on the basis of the analysis of a large number of output data collected from various industry sectors by the successors of the consulting group (BCG). It turned out that all the options fit into 4 fundamentally different situations, which are displayed graphically by the BCG matrix, which consists of 4 quadrants, each of which resembles, in addition to everything else, and the final stage of the product’s life cycle. The skin quadrant

has its own distinct characteristics, which indicate the strength of management decisions that are made. The shape of the BCG matrix is shown in Fig. 13.

“**Star**” is a quadrant that reflects situations when a product has the maximum rate of market growth and occupies a high share of the market. In the life cycle, this situation is representative of the maturity stage of the product. This means that you can invest in such a product to save and prolong this situation.

“**Question mark**”, “?”, “important child” or “wild guts”. This product still occupies a small part of the market, but has positive development dynamics, meaning an increase in sales. This means that if marketing research predicts a good future, then you need to invest money and bring the product to the level of “star”. If there is no prospect, it is necessary to destroy the market. This situation is consistent with the initial part of the life cycle curve.

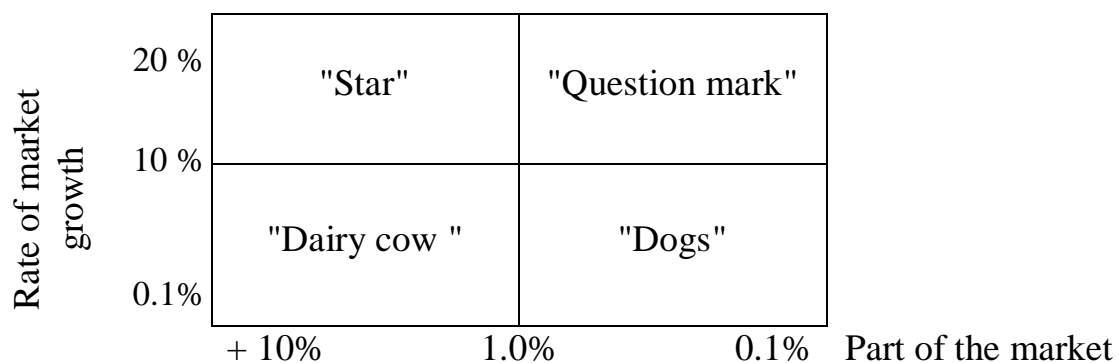


Figure 13 – BCG Matrix

“**Dairy cow**” - indicates a high part of the market, but there are few prospects, and sales are falling. This situation is indicative of the declining part of the life cycle, when the goods begin to “give positions.” In this case, there is no sense in investing money in the development of a product, but there is no real prospect for him. It is possible to further promote the product with small investments, on par with the promotion of marketing.

“**Dogs**” is a product that does not last, is old and is bought only by a small part of the living, their rear guard. Therefore, the daily investment of funds is ineffective. Here, a strategy of elimination comes into play, either specializing the

product for buyers who are out of stock, or exiting the market. Corresponds to the final part of the life cycle.

Advantages of the method:

- It relates, in the hourly aspect, to such important characteristics as the prospects for the product (the level of market growth) and the share that this product takes on the market on par with the maximum producers;
- allows for the development of a principle model of behavior in a skin situation.

Using the method:

- ∇ This model is even more enlarged;
- ∇ it is no longer possible to stagnate for mass-produced drinks;
- ∇ It is important to look at: the market for a product as a whole or the market segment for a given specific product.

10.4. The GE matrix has been expanded (McKinsey)

This matrix is fundamentally similar to the BCG matrix, but is more detailed, since it divides the entire field into 9 fields, and not into 4, like the BCG matrix. This means that 9 behavioral models are demonstrated in different situations.

The GE (McKinsey) matrix links the following officials:

- marketability (high, medium and low);
- competitive position of the company in this market (strong, average, weak).

The assessment of the situation on both axes is, as a matter of fact, clear. This means that for the assessment of vigor, not just simple parameters are used, but simple ones – “low, medium, high.”

The matrix will be in the same coordinates, and the entire field is divided both horizontally and vertically into 3 zones corresponding to the level of parameters. Let's take a look at all 9 options for a company's behavior on the market.

The McKinsey matrix is shown in Fig. 14.

Addition to the market		High	1	2	3
		Medium	4	5	6
		Low	7	8	9
			Strong	Medium	Weak
			Competitive market position		

Figure 14 – McKinsey Matrix

1 – High market value and strong competitive position of the company. Strategy – “Protect the position.” This is the most favorable situation. You need to save this position, and for this:

- invest to ensure maximum growth;
- conduct supportive marketing;
- maintain market influence.

2 – The market is highly profitable, and the firm’s position is average. This strategy is called “Investment and Development”. Necessary:

- fight for leadership;
- develop strengths in order to invest wholeheartedly;
- improve the situation in weak segments of the market.

3 – The attractiveness of the market is high, but the firm's position is weak. Here, a strategy of "selective development" is appropriate. This means the following:

- available funds should be invested only in strong segments;
- Weak positions should be overcome;
- look for opportunities to overcome weaknesses.

4 – Market value is average, otherwise the company has a strong competitive position. Here the strategy of “vibrational development” is also correct:

- invest in the most profitable sectors;
- ensure an increase in obligations and for the purpose of which - a decrease in income and a profit;
- develop building capacity to resist competition.

5 – This is actually the middle position in the entire matrix: market value and the competitive position of the company are in the middle. This strategy is called “Vibration management to maximize profits.” For whom is it necessary:

- saving the current situation;
- concentration of investments in sectors with minimal risk and maximum income. There are low- and medium-cost investment projects available.

6 – Market value is average, and the company’s competitive position is weak. Here the pre-river strategy is “to combine expansion with minimal risk”, investments are mainly in modernization, reconstruction and advanced technologies, organization of production, etc.

7 – Addition to the market is low, but the competitive position of the company is strong. This is what the “Save and Redirect” strategy suggests:

- to secure an in-line profit;
- concentrate on the strengths of the company;
- protect your strong position.

8 – The market attractiveness is low, and the competitive position in the market is at an average level. This is in line with the Manage for Profit strategy, which means minimal investment in modernising the product range and maintaining a position in strong market segments. Weak segments need to be exited.

9 – Market value is low and the company’s competitive position is weak. This position is consistent with the “exit from the market” strategy. Here you need:

- quickly feel the constant waste;
- improve the technological process, which is promising, with minimal investment;
- correctly assess the market entry point and the company’s strategy when implementing this policy.

Advantages of a McKinsey-type matrix:

- ✓ the matrix is detailed, so that a row (9) of possible situations can be seen;
- ✓ More and less specific recommendations are expected based on the company's behavior in the market;

Folding:

- ✓ difficulties with the acquisition of these and other strategies due to the scarcity and insignificance of output data;
- ✓ It is important to use clear criteria for assessing the activity of an enterprise with an emphasis on strategic areas.

10.5. Growth model and Ansoff matrix

Born in 1965 American expert marketer I. Ansoff expanded on the theory of planned divisions, which means the interconnections between the ongoing development of a company or project and the actual process. This is called the Ansoff growth model, or the theory of divisions.

The essence of the concept of planned separation is that there are two development situations.

1. Based on forecasting the development of a company, its products, or the return of investments on the basis of the predicted, actual potential future. This is a meta company.

2. The actual level of development of the company in relation to the market situation, risks, etc.

It is clear that between these positions there will henceforth be a division, which is called disunion (Fig. 15). The reason for such weakness is the influx of internal and external officials. Moreover, while internal officials can infuse and correct them in any way, then external officials practically do not succumb to adjustment. Management of any project is to minimize differences between planned and actual indicators for the implementation of various marketing, organizational and technical activities. For this reason, Ansoff's theory recognizes two types of differences – precise and strategic.

1. Accuracy, efficiency and competitiveness.

The stench is of an internal nature and is associated with the lack of thoroughness of the company's work, internal cleaning. There are just so many possibilities to be had. To disable operational differences, it is recommended:

- There will be increased development of the current market and transition to new markets;

- Increasing the productivity of work and life – thoroughly improving the internal structure of the enterprise and increasing the efficiency of production.

2. *Strategic differences or diversification differences.*

The stretch is associated with uncontrolled external officials of the micro- and macro-environment, various market situations, certain types of companies cannot be stored and generates large costs and costs. In addition, these processes are associated with high risks.

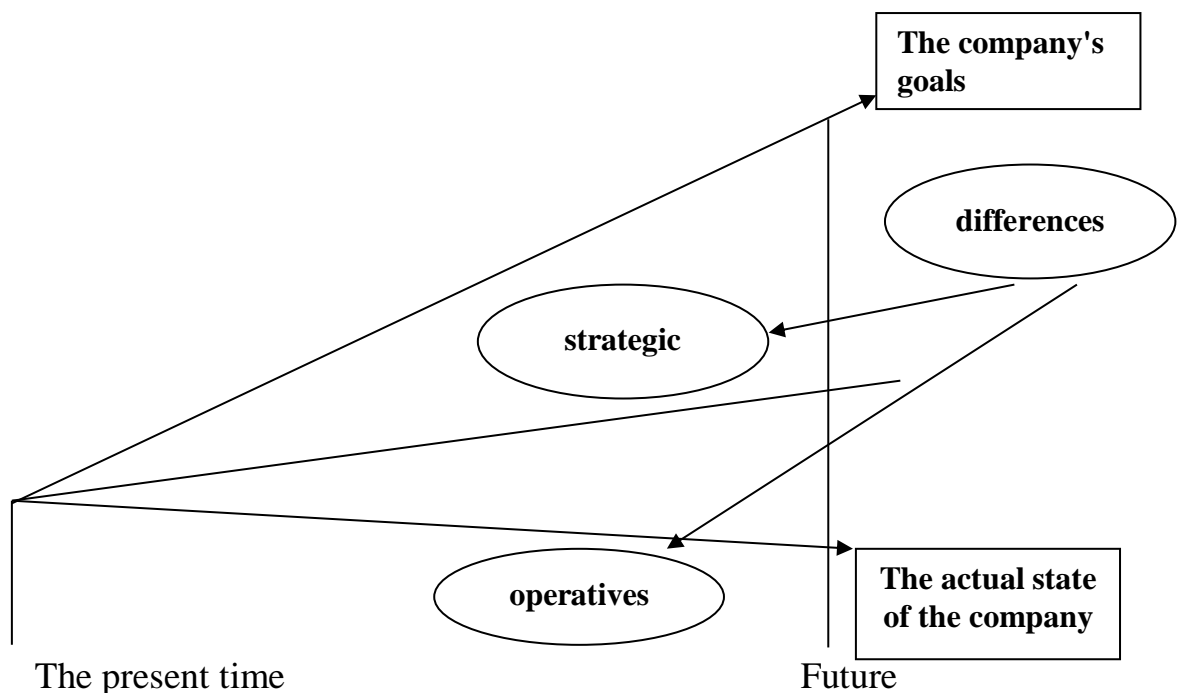


Figure 15 – Ansoff growth model

Strategic disagreements are sometimes referred to as a strategic "trap door", which can be overcome by the following measures:

- development of a new strategy, new goals;
- development and development of new markets;
- development of new products;
- diversification of production.

To sort out the differences, you can use the Ansoff matrix, which allows you to evaluate the situation from the position of the “product-market” relationship. This matrix connects products and markets in the senses of their developed company - new and old ones are considered, developed products and the same ones - similar to markets.

The Ansoff matrix is 4-field, which looks at all possible additions that include new and existing markets and new and original products. Vaughn allows recommendations to be generated based on the behavior of the company in different minds. It is clear that this is a schematic interpretation.

In Fig. 16 shows Ansoff’s “Product-Market” matrix.

Old market New product <i>Risk and medium effect</i>	New market New product <i>Risk and effect max</i>
Old market Old product <i>Risk and effect min</i>	New market Old product <i>Risk and medium effect</i>

Figure 16 – Ansoff “product-market” matrix

1. ***New market and new product.*** The strategy is called “Product and Market Development.” For whom do you need great money? A strategy has been developed that will allow large companies to enter the market and high-risk promising products.

2. ***New market and existing product.*** The strategy is "Market development". The main difficulties are institutional, related to the peculiarities of the new market and adaptation to them. This is more difficult than developing a new product. The effect is high, but the risk is also high.

3. ***Existing (already developed market) and new product.*** Product development strategy. This is a simpler strategy, as it involves overcoming mainly

internal factors of production and introducing a new product to an already developed market. The level of investment is quite high, but lower than in the previous two situations.

4. *An existing market with an existing product.* This is the Market Penetration strategy. It involves deepening the position of a product in an already developed market by upgrading the existing product on its own, using licences, contracts, exchanging goods with other firms, intensifying sales, and looking for new buyers in an existing market. The strategy is minimal in terms of risks, costs and efficiency.

10.6. Forces of influence and the Porter curve

Analysing the factors that shape industry competition, the American marketing scientist Porter identified 5 influential factors:

- 1 - new competitors;
- 2 - consumers;
- 3 - suppliers;
- 4 - substitute goods (substitutes);
- 5 - intensity of market processes in the industry.

The scheme of forces of influence is shown in Fig. 17.

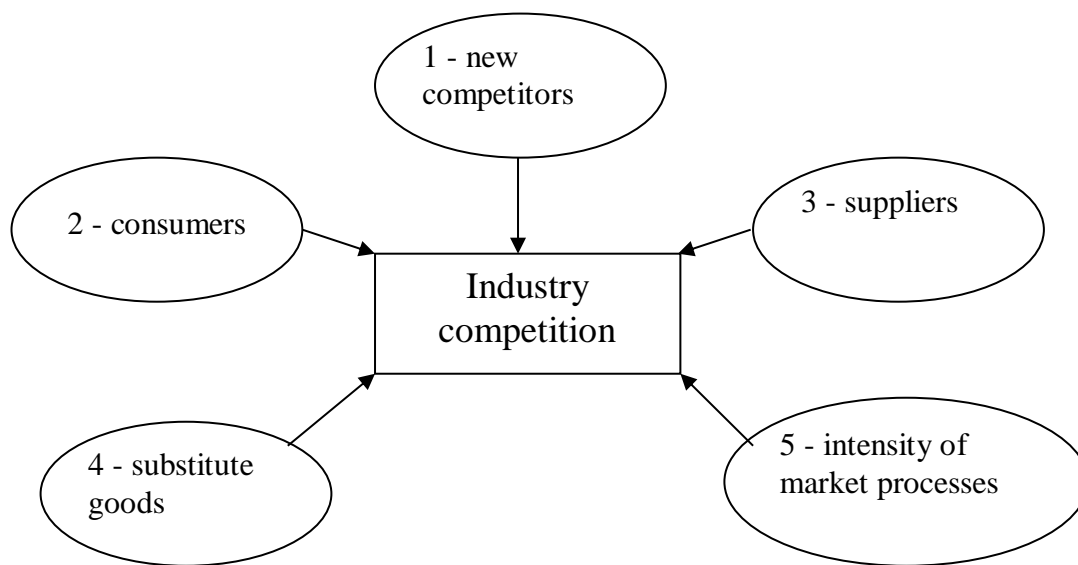


Figure 17 – Sealy Porter

The value of Porter's approach lies in the fact that it provides the ability to structure active officials, see the most important ones among them (themselves - the 5 forces), and then analyze the influx of the skin from them. To assess the rapid influx of local officials, you can use simple scoring methods or the scoring method based on the stability of officials, and for graphical interpretation, you can use random “radars”. Such an analysis provides a basis for developing further management decisions.

The Porter curve will be in the coordinates “sales volume – income level” and will look like a parabola with three sharply pronounced zones (Fig. 18):

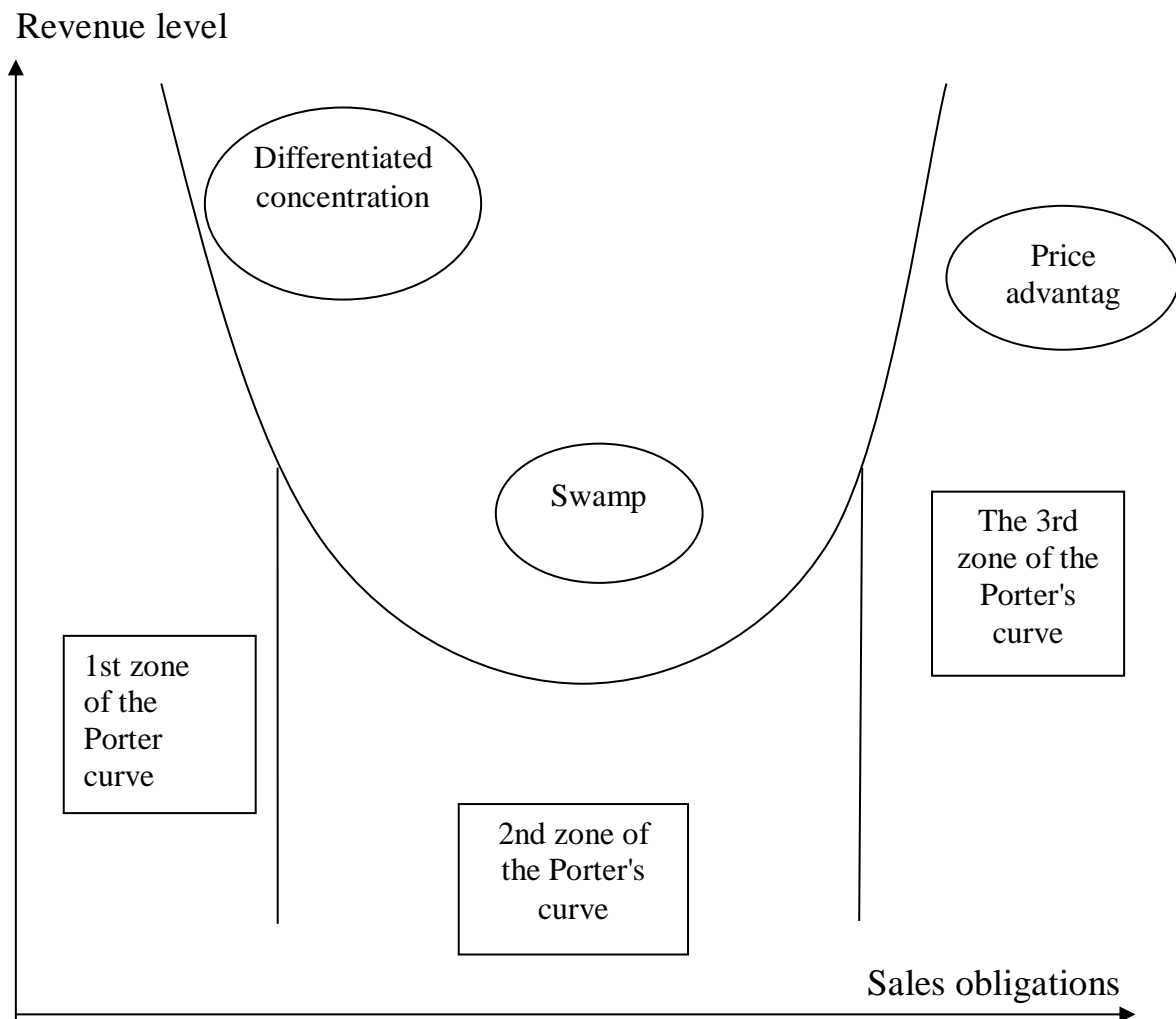


Figure 18 – Porter curve

I – *The left side of the parabola* indicates minimal sales and high profits. This ensures a high level of product quality and a high individual price and is called a concentrated strategy. This strategy is typical for exclusive markets and products that are differentiated by a high level of value of the product itself, service, surrounded by a specific market and, consequently, a high price.

II – *Central, “failed” part of the parabola, i.e. bottom*. This zone is called a “swamp”. With a great deal of sales pressure, profits are minimal. In a significant world, it is explained by the unstable and undefined strategy of the company - it is necessary to move either to the left - to the zone of concentrated strategy, or to the right - to the zone of price superiority.

III – *The right side of the parabola* indicates a high volume of sales, large profits, which are ensured by extremely low prices and is called the price advantage zone.

This is typical for disrupted markets with objectively high costs of growth and technologically disrupted production.

10.7. PIMS model

This approach is based on a statistical analysis of the activities of many enterprises and firms in the United States and other developed market economies.

Over several years (70s), the PIMS project examined 450 corporations and 2800 business units, collecting and processing information on the methods of work, the success of firms, and the impact of various investment projects on performance both in the current and strategic plan.

In carrying out this work, two conceptual provisions were adopted.

1. The basis of the analysis was the business unit (business-unit), which can be:

- divisions of enterprises;
- product line;
- profit centre.

2. The market that is serviced is seen as part of a large market with large connections.

Analysis of the results showed that 3 groups of officials are steadily contributing to the profitability of the company:

- The firm's own competitive position, including market share and product quality;
- The structure of production, including investment intensity and labour productivity;
- The relative attractiveness of the market, industry and market environment.

All these changes are consumed by about 65–70% of the underground bureaucrats. It was made without a personal recommendation, which may be of

practical significance and which was confirmed by significant findings about the progress of production and the activities of firms in the markets.

Let's take a look at their actions.

➤ In the future, the most important factor that contributes to the profitability of the company is the availability of goods and services. This is a firm commitment to find numerous confirmations in real practice at this very moment. Indeed, more and more companies in the world are looking to pay more for goods of guaranteed quality, besides everything else, and so that the cost of repair and maintenance of installations will be lower and lower. more silent robots.

➤ Market share and profitability are closely related to each other. This is explained by the fact that with high drinking and high-volume activity, product composure decreases, which allows for a more effective and efficient use of price policy to regulate production. Sales volumes and profitability of production in general.

➤ The high intensity of investment has a positive impact on the profitability of the company in the future, since it is included in the business plan and for the very sake of which innovative projects are implemented.

➤ At the same time, the high intensity of investment affects the flow parameters and profitability of the company, so the implementation of any innovative project requires greater or lesser turnover, about the disruption of rhythm, order, what has been said, etc. It is necessary to understand that With a high level of organization, these negativity can be significantly weakened and fleeting.

➤ If businesses like “dogs” and “feeding signs” bring income, then “milking cows” do not. This is reflected in the greater strength of the product, equal to the service, and in the image of the trademark, etc.

➤ More strategic officials, who will increase the withdrawal of profits and shorten the terms of capital turnover, play a positive role in promoting the profitability of the enterprise in the future, in order to promote its capitalization. It is very important in the minds of the market that the fragments of the change in the power of the enterprise, its division or, as a result, dissolution from other nutritional resources of the enterprise emerge in a principled nature.

The advantages of the PIMS model method are that its recommendations and recommendations are based on a sample of great statistical material, are practical in nature and retain their relevance over a period of time.

The exchange of the PIMS model is due to the fact that the practical significance of a whole series of recommendations is saved for companies with similar minds in functioning and development.

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