

**IMPROVEMENT OF MARKETING COMPLEX
FOR ENTERPRISES OF HOSPITALITY AND RETAIL INDUSTRY
(УДОСКОНАЛЕННЯ КОМПЛЕКСУ МАРКЕТИНГУ
ПІДПРИЄМСТВ ІНДУСТРІЇ ГОСТИННОСТІ
ТА РОЗДРІБНОЇ ТОРГІВЛІ)**

L. Yancheva, I. Melushova, M. Mykhailova

Introduction

In the Ukrainian economy, which is aimed at active integration into the world economy, the service sector is becoming more and more important determinant in socio-economic development of the country. According to the State Statistics Service of Ukraine [1], over the past years services have been the main sector which accounts for almost 40% of sales (products and services) (table 1). The data presented in the table indicate that the main component of these indicators is formed at the expense of enterprises involved in the field of trade and hospitality, which determines their key role in the formation of value added in the economy of the country.

Analyzing the data in the Table it can be noted that due to the unstable economic and political situation in the country in 2013-2016 there is a deterioration of the trends of Ukrainian enterprises with the highest amplitude in 2014. For 2012-2016, the number of enterprises in the field of services of trade and hospitality decreased by 21,7%; the number of employed workers decreased by 23,5%; although the volume of services sold increased in current prices by almost 50%, given the high rates of inflation, we can talk about the decrease in comparable prices. Thus, the development of a modern service sector is characterized by dynamism and uncertainty, which aggravate the negative impact of a set of factors that hinder its development. They include: high inflation and rising prices for services, lowering of the population solvency, increasing competition on domestic consumer goods markets due to foreign retailers, conducting business activities in the conditions of devaluation of the national monetary unit and political uncertainty, which together leads to a reduction in the volume of consumer demand and destabilization of activity of service enterprises. As a result, most of the companies that were in a crisis situation have negative financial results and significant losses.

Under these conditions, companies in the service sector more acutely face the issues of increasing marketing activity focusing their efforts on maintaining and stimulating demand, improving competitiveness, and providing conditions for further development.

Table 1

Dynamics of enterprises activity indicators in 2012-2016*

Indicators	2012	2013	2014	2015	2016	2016/ 2012, %
1. Number of Ukrainian enterprises according to types of economic activity	364935	393327	341001	343440	306369	84.0
<i>including trade and hospitality enterprises</i>	<i>113293</i>	<i>120510</i>	<i>101857</i>	<i>101343</i>	<i>88736</i>	<i>78.3</i>
2. Volume of products sold (goods, services) of enterprises (millions of UAH)	4203169	4050215	4170659	5159067	6237535	148.4
<i>including trade and hospitality enterprises</i>	<i>1640129</i>	<i>1628861</i>	<i>1644037</i>	<i>1971508</i>	<i>2408775</i>	<i>146.9</i>
3. Number of employees employed at enterprises (thousands of people)	7679.7	7406.5	6298.5	5889.7	5801.1	75.5
<i>including trade and hospitality enterprises</i>	<i>1330.4</i>	<i>1288.6</i>	<i>1116.7</i>	<i>1013.6</i>	<i>1018.1</i>	<i>76.5</i>

* 2014-2016 – without consideration of the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation area.

To promote goods and services effectively, enterprises in the field of trade and hotel and catering business form the appropriate set of marketing tools to influence market participants, which is a marketing complex (marketing mix). Overview of the publications of national and international scientists has allowed to distinguish the main models: «4P», «5P», «6P», «7P», «8P», «12P», «4C», «4E», SIVA, some of them: «4P», «5P», «6P», «7P», «8P», «12P» are formed from the point of view of the manufacturer, and, for example, «4C» is formed from the consumer's point of view [2].

Ukrainian scientists S. Buhaenko, O. Dyma, O. Ievtushenko, Iu. Kostynets, O. Kucher, G. Tlusta, I. Iashyna and others considered the questions of forming a complex of marketing in various spheres of activity. Despite numerous publications on this issue, scientific discourse on the structure and tools of influencing a consumer continues, moreover, during the period of competition intensification on the market, the relevance of finding new approaches to the formation of a marketing mix, taking into account the specifics of the services provided, is significantly enhanced.

Main material of the research

All services possess general and specific features that reveal the peculiarities of a certain type of service. The specificity of services is determined by the specifics of the functioning of the markets where they are offered, the behavioral patterns of consumers and the ability of enterprises to influence the consumer choice.

It should be noted that since the traditional marketing complex does not take into account specific and unique elements of the service, its formation for service enterprises goes beyond the standard cases and needs to be adapted to the features of services [2]. Assume that the formation of a marketing complex in the service sector should be carried out both in the direction of expanding the elements of marketing mix, and in the direction of refining their content.

In order to form the optimal structure of elements of the marketing complex for the services industry, a survey of experts was conducted. 15 experts participated in the research, who were selected in accordance with the established requirements for the formation of the group. Summarizing the existing views of Ukrainian and international scientists on the structure of the marketing complex, its elements are systematized and experts estimate the importance of each on a 5-point scale: 5 – «very important»; 4 – «important»; 3 – «neutral»; 2 – «not important»; 1 – «not at all important». According to the results of the expert survey, the appropriateness of the use of the 7P marketing complex in the service sector was confirmed (Table 2).

Table 2

Element groups in marketing complex according to the level of importance [2]

Point	Evaluation scale	Element of marketing complex
61-75	«very important»	product, price, promotion, place
51-60	«important»	personnel, service, process, physical evidence, emotions
41-50	«neutral»	people, package, purchase, communication, convenience, acceptability, affordability, availability, awareness, ethics, information, community
31-40	«not important»	presentation, positioning, profit, esthetics, site, security
Less than 30	«not at all important»	PR, publicity, customer needs and wants, value, personalisation

It is proved that along with elements of classical marketing mix «4P» (Product – food policy; Price – definition of orienting point, principles and methods of price setting; Promotion – means of promotion; Place – distribution methods; sales channels); it includes such additional elements as Personnel – the personnel providing the services; Process – the organization and stages of service provision; Physical evidence – visual and material elements that are valued by the client and are evidence of service quality. This marketing package needs to be refined, taking into account the specifics of a service, as shown in the example of services such as the hospitality industry and retail trade.

The hospitality industry has a complex origin of service, since it is aimed at satisfying the various needs of customers. According to the broad interpretation of the content of the hospitality industry provided by J. Walker, it includes tourism, hotel and catering business, mass catering, recreation, entertainment, the organization of conferences, workshops of other events [3]. As the services of the hospitality industry, above all, contribute to improving the mood of person, his emotional state, therefore it is proposed to add the element «Emotions» to the traditional marketing package of services «7P». In the context of this element, marketing efforts should be aimed at improving the overall atmosphere of the enterprise, its interior and exterior, dining, individual services, events. Thus, the marketing policy of emotions is a collection of unique, different from competitors marketing tools of influencing the consumer, in order to create positive impressions [4], it will provide more complete satisfaction of their needs, the desire to re-visit and recommend the company to others.

Formation of the marketing complex in promoting retail services is directly related to the peculiarities of the activity of the trade industry entities and the specific features of the services provided.

The specificity of the retail organization leads to the diversity of its forms and types, such as: food and non-food trade; trade in and out of stores (in particular, e-commerce); in enterprises of different formats (hypermarkets, supermarkets, «shops near the house», kiosks, etc.); types and specialization; in trading markets which differ in volume of sales, coverage of the service territory focusing on different segments of consumers depending on their level of income, etc. Moreover, it should be added that the retail trade networks – one of the new forms of organization of trading business – include entities not only in the trade, but also other merchant systems engaged in servicing the needs of the population: trade in the markets, restaurants, household service, pharmacy, hotel industry, tourism, rental, petrol stations, etc. [7]. This difference in the sphere of trade largely dictates the degree of market development and the complexity of

work on it, which determines the choice of specific and optimal tools of the marketing complex. Under current conditions in the retail sector, the following key trends are observed: the growth of consumer potential and role, the development of e-commerce, the increase in the value of the information product, innovative activity, as a result of which the process of providing services is constantly improving and their number and types are expanding.

The services of retail enterprises related to goods and based on human labor play an additional role when selling goods. These services, as a specific retail product, contain items related to the goods themselves (quality, assortment, etc.), sales conditions [5] and after-sales support. In most cases, in the retail trade service and product act as some integrated complex, or a service package, which means their interaction that provides an additional effect and the formation of increased consumer value.

Thus, the specifics of services in the retail sector necessitate the modernization of the traditional marketing mix through the addition of an element of SR – Services Package. The service package includes: perceptual psychology, which reproduces the subjective factors of consumer perception manifested in consumer psychological associations regarding the name of the enterprise, its symbols, etc. [5]; the ratio of rational and emotional factors, prerequisites and consequences of making a purchase decision; opportunity to evaluate the trade service in the complex (package). The formation of a service package is one of the key means of non-price competition, and in addition to the minimum range of services of retail enterprises includes constant monitoring and improvement of existing standards, introduction of technical innovations that are used in servicing, means to minimize the time spent on the purchase taking into account the psychology of consumer behavior, etc. Note that the Services Package element in some studies is considered to be a component of all traditional elements of the retail marketing complex. In our opinion, it is more correct to consider it as a separate element, which necessitates the development of marketing measures of service policy.

According to F. Kotler, «the possibility to replenish this list always exists. The question is not what tools make up the marketing-mix, but what particular tools are most important» [6, p. 258]. For example, when selling antique items it is expedient to use Personal Selling in addition to traditional tools; in the supermarket format enterprises and trade network retailers of «7P» it is expedient to supplement the element of the Predicate Label – the creation of its own brands; at the retail enterprises of food segment the importance of Perceptual Psychology increases in connection with regular, simultaneous consumption of goods accompanied by a low degree of

involvement in the buying process. The choice of a marketing tool is conditioned by the specific features of services, the specifics of forms and types of trading activity, financial and management capabilities of retail enterprises.

In general, the complex of services provided by the retailer, their volume and type composition provides opportunities for increasing sales volumes on the one hand, and on the other – contributes to increasing the consumer value of goods through synergistic interaction of its components. As a result, there is an increase in the efficiency of the retail business at the expense of a positive systemic effect, which is expressed in increasing the image of the enterprise and the strength of consumer loyalty.

Given these general and specific features of the service sector, the marketing mix and tools for influencing consumers within each of its elements are shown in Fig.

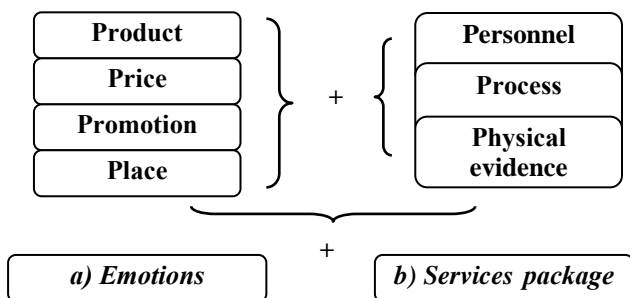


Fig. Marketing mix models of enterprises in the hospitality and retail industry

Conclusions

The well-known approaches to the formation of the marketing complex of the services sector companies have been studied and the need to take into account the specifics of certain types of services during its formation has been determined. The conducted research allowed giving recommendations on modernization of the traditional marketing complex for enterprises of hospitality industry and retail trade. The choice of additional marketing tools is conditioned by the specificity of services, the feature of forms and types of commercial activity, financial and management capabilities of the enterprise in the relevant service sector. Given the specifics of hospitality and trade services companies, models of the marketing complex for the enterprises of these services sectors (Fig.) containing the traditional elements of the 4P marketing complex, additional «personnel», «process», «physical evidence» and specific each separate

type of service are substantiated.

For the sphere of hospitality (Fig.), the design of the marketing complex has the form of «7P+E», that is, in addition to the traditional elements of the 7P marketing service complex, the element a) «emotions» has been added that will contribute to the formation of the emotional component of the service. Given the peculiarities of the forms and types of trading activity, the specific features of the trade services, the marketing mix is adapted by adding the item b) «Services package» (Fig.), therefore its design has the following form: «7P+SR». Incorporation of the service package into elements of the influence on consumer patterns will promote the development of the effect of the brand emergence and consumer loyalty.

The proposed recommendations for the design of marketing services for the hospitality industry and trade services will promote developing the most effective marketing strategies that will ensure the high competitiveness and competitive firmness of business entities achieving their marketing goals.

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