

MARKET IN THE CONTEXT OF FOREST PRODUCTS MARKETING MANAGEMENT G.S. Domashovets, A.G. Lashchenko, P.V. Kravets

For a long time marketing management in the forest sphere has been in the outlying area of administrative decisions about forest enterprises effective functioning. The reasons of it are forest market belonging to the consumers' market, the absence of the clear mechanism of forestry realization, the low flexibility of the demand for forest products, the bulky and inflexible organization and administrative structure of the sphere. These and other factors back off carrying out marketing innovations in forestry.

Marketing management of an enterprise aims at controlling four classical elements of enterprise operations that make the marketing mix: goods, price, promoting and division. If one element of the marketing mix changes, the other also change. The research of the directions of these changes enables controlling the process of realization of the marketing mix and adjusting the respond of the market with the aims of a forest enterprise.

Task Outline is to estimate elements of the marketing mix that take place in the practice of state forest enterprises.

Research Material and Methodology. Experts (heads of agricultural enterprises, sellers and forest products consumers) have been polled to analyze the elements of the marketing mix of enterprises being researched. This poll was one-off filling applications following the principle of corresponding number and structure of expert groups.

Results of Research. Statistically approved analytical summing has stated [5] that according to the amount and demand hardwood broadleaved and coniferous sawtimber and different categories of wood are the most necessary for inner market consumers. The deficit of conventional plywood is felt by the most consumers who also watch the growth of business struggle at the market of needed forest products.

According to the elements of the marketing mix main advantages and disadvantages of forest enterprises of State Forest Resources Agency that have been studied are defined as a result of the done research. According to the element "goods" among advantages there is highlighted a closed-loop run, a broad representation of industrial goods and goods and services for manufacturing purposes. Among disadvantages there is insufficient control of the quality of orders, the presence of old equipment, the absence of complex service given to those who order them, the drawbacks in manufacturing planning and anticipating.

The price policy of forest enterprises aims at the fixation and change the price according to the changes of the marketing situation. The price influences the competitive power of forest products and enterprises for a long period of time. The minimal price is defined by the costs of production, the maximum is defined by the existence of individual qualities of goods and the demand for the according products. The prices on forest products of the competitors (enterprises belonging to Ministry of agrarian policy and food of Ukraine, military forestry enterprises etc) must point at the average level when defining the price. Today the prices on forest products manufactured by enterprises belonging to State Forest Resources Agency are unreasonably high for 75% of consumers, 25% consumers consider the prices of the department to be acceptable, another part of the consumers take the prices as low. The confirmation to it is the preference to the price as the select element of the competitive power given by those surveyed.

Main disadvantages according to the element "price" are the absence of special conditions for national wood-working enterprises, the absence of free access to forest products (direct supplies), the excess of the industry average of the price level.

The success of forest products is mainly determined by the physical appearance at the market. Taking the population needs into account, forest products must be delivered to the needed place, at the definite time and in the necessary amount. Administrative solutions that are necessary for it are called the policy of the distribution that provides the delivery of goods to the consumers and is connected with the disarrangement in production processes and consuming in place, time and form.

The main disadvantage according to the element “distribution” is the absence of the delivery of forest products to consumers (especially in the segment of off-wood products). Among suggested marketing elements of estimating the a seller’s business reputation the first place is taken by the possibility of discharging the full amount of an order, the location and reputation of a supplier are also rather important.

The promotion aims at the constructing the system of communications, that is the process of transferring the information, knowledge, feelings and sentiments. The problems of man’s comprehending the information was studied by scientists and physiologists such as Weber, Fahrner, Stevenson and others [1,3]. The model of modern marketing communication consists of the following elements: a sender, encoding, a request, means of communication, decoding, a receiver, a counter reaction. Main goals of the promotion are creating the demand and stimulating the sales of products.

Experts think that main instruments of the marketing policy to promote state forestry enterprises are personal sales and stimulation of selling.

To have short-time informative influence on forest products consumers and partners and to encourage the first to buy goods and the latter to collaboration (stimulation of selling) forestry enterprises must work out a paid form through the following factors: *strategic* (to enlarge the number of consumers; to increase the amount of goods that is bought by every consumer; to make clients be greatly interested in the goods; to increase sales turnover comparing with data marked in the plan of producing or marketing; to fulfill the plan of sales); *specific* (to speed up the sales of the most benefited goods; to increase the turnover of some goods; to get rid of extra provisions; to provide the regularity of sales of seasonal goods (New Year trees); to react the competitors that appear and *one-time* (to use some favourable possibility (the anniversary of an enterprise and so on); to support підтримати advertising campaign). All enumerated factors should be used in combination, as a state forestry enterprise is not competitively able to use such operations as price discount (seasonal, discount to some categories of consumers), drawing lots, competitions and lotteries as well.

If to say about various informational materials that concern the forest sphere of Ukraine the most of those being surveyed are interested in the analysis of the structure of semiproducts and consuming the wood at the definite regional level and they would like to receive this or that informational material during personal conversation with workers of an enterprise (personal sales).

More frequently in scientific works one can find the theses about a strategic importance of such an inner resource of an enterprise that is aimed at the consumer and satisfying this consumer’s needs as personnel. It is human resource that influences and changes the surroundings. It ought to be considered the very instrument with the help of which an enterprise impacts the consumer and achieves the stated goal [4]. The effectiveness of the element “people” can define the success of a forestry enterprise on the whole and be its advantage as competitor. Here the first place take the quality of communicative skills. Such qualities that characterize the employees as professional level of the employees and their personal appearance accordingly are also important. Such factors as the outlook of an forestry office, furniture, office devices influence the result of personal sales too. The interior, flowers, light and others details also influence the consumer though less.

The great importance to enlarge the number of clients and retain the existed is the formation of the identity of such concepts as “forestry enterprises of State Forest Resources Agency” and safety, stability, certified wood, qualified service” the confidence here is formed being influenced by different means of public relations. Various publications have been recognized the most effective in this sphere.

The second important instrument of “public relations” are special activities. To promote forest products the organization of informational seminars and scientific conferences as well as presentations and parties are of great importance. [2]. The effectiveness of such an activity as Doors Open Days has been considerably less appreciated.

Special activities are followed by the relations with mass media. In this case organizing press-conferences (interviews), the preparation of press-releases, the publication of different articles

and other published materials are rather interesting. Important elements are the elements of sponsorship and patronship (for instance, secondary educational establishments and kindergartens).

Forest productions is rarely advertised. The belief that wood does not need the marketing appeared because the market of this material had been the seller's market for a long time.

The process of making up consumers' mind is influenced by different instruments of advertisement. The advertisement in mass media and printed one have been considered the most effective. The next place in order of importance is taken by outdoor advertising and advertising on public transport. Domestic and remembrance advertising have been found out the most ineffective.

Among advertising in press the first place is taken by the advertising in professional issues, that reveal the problems of economics, finance, timber harvesting, forest regeneration and reforestation.

The most effective carriers of printed advertising are articles in professional issues and interviews. Forest products advertising with the help of arranging commercial modules has been acknowledged less effective.

The importance of carriers of printing advertisement has been distributed in the following way (descending): posters, calendars, leaflets; booklets, advertising postcards; catalogues of goods and services for consumers of a forestry farm; kits of advertising material of some forest product; prospects.

Among outdoor advertisement indicators are emphasized then go advertising screens and windows or entrance doors of forestry enterprises and transportable advertising constructions – standers. The remembrance advertisement and that on public transport (that is almost absent) have very low effectiveness.

Important advantages of forestry enterprises of State Forest Resources Agency of Ukraine according to the element of the marketing mix “promoting” contain employees' high competence and enhancing their professional qualification, development of public relations; main drawbacks are the absence of clear stated or week outdoor communication and advertising activeness, drawbacks in planning and estimating the work done by engineers responsible for sales.

Summaries

Nowadays a traditional concept of the marketing mix is considered to be limited in countries with market economy. The mix of domestic instruments of an enterprise that influence the market need to be reconsidered taking into account the changes in social and economic outlook of a society and gradual transferring from down-to-earth economy to the economy of social and esthetic aspects of life.

Forest products market turned to be sensitive to ecological and social characteristics. It is induced by the demands of European markets that marketing strategies of a great number of those surveyed are focused to. The ultimate price is formed influenced by the demand and the supply. In distribution direct channels are used with preference of such elements of the marketing policy of promotion as personal sales, advertising in mass media and participation in specialized exhibitions.

Literature

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Представлены результаты анализа маркетингового комплекса государственных лесохозяйственных предприятий с рассмотрением основных его элементов в контексте маркетингового менеджмента.

Маркетинговый менеджмент, комплекс маркетинга, товар, цена, продвижение, распределение, связи с общественностью, рынок лесопroduкции, предприятия лесного хозяйства.

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The results of analysis of the marketing mix of state forest enterprises with consideration of its main elements in the context of marketing management are given in the article.

Marketing management, marketing mix, product, price, promotion, distribution, public relations, market forest products, forestry enterprises.