Lisna I. F., Pivavar I. V., Ponomarenko O. O. Marketing Research and Marketing Planning at Macro and Micro Levels

The article analyzes the marketing research and planning of the marketing activities at both the macro- and micro-levels. A substantiation of choice of directions of increase of efficiency in terms of use of marketing potential of enterprise together with the development of corresponding actions as to implementation of these directions necessitates careful marketing research of the conditions of economic activity, definition of peculiarities of the market segmentation and determination of the key advantages that ensure stable positions of producers in the competitive rivalry. The validity of the strategic decisions taken by the enterprise is largely determined by the completeness and reliability of the information used. High labor intensity, complexity of gathering and analytical processing of large amount of various information, the possibilities of obtaining of which are limited, along with absence of necessary competence of the engaged experts, places in question the possibility of carrying out of such works by small enterprises qualitatively and in full volume. Therefore, the article defines the expediency of forming of the specialized information-analytical centers, which are concentrating the necessary information and equipped with various instruments of its strategic evaluation.

Keywords: marketing, marketing research, marketing planning, system of marketing information.

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A t micro and macro levels marketing research is a systematic design, collection, analysis, and reporting of data relevant to a marketing situation facing a company. Marketing research is a systematic collection, mapping, and analysis of data on problems associated with goods and services marketing. Moreover, it is a complex concept that includes all types of research related to marketing management [5]. Marketing research is a systematic definition of a complete list of output data (information) necessary for successful business of an enterprise, their collection, analysis, and reporting [7].

Marketing research and planning at these levels of marketing activity was studied in detail in works of many reputable domestic and foreign scholars [1-6; 9-10; 12-16]. However, there is no consensus among the experts on economic nature, role, and importance of marketing research and planning.

In general, marketing research at macro and micro levels can be defined as a process of a systematic collection and analysis of data about market to determine the current potential demand for consumer and industrial products, providing a basis for making managerial decisions. Thus, marketing research is a systematic and purposeful collection, processing, and analysis of marketing data necessary for developing and implementing the marketing plan of a company, for making prompt decisions under certain market conditions. Therefore, when conducting marketing research, it is necessary to apply a scientific approach based on objectivity, accuracy, and thoroughness.

The initial stage of marketing research is a precise description of problems with formulation of specific goals, which allows avoiding unproductive costs. Then it is necessary to develop a research procedure: the definition of the order and terms of the study, its phases, etc. The next stage is the collection and accumulation of information. The final stage is the analysis and processing of the data, problem-solving, report on the results of the study, presentation of the results [8].

Market analysis is a method of studying market by distinguishing the main interconnected elements (characteristics, properties, conditions, actions) that determine its development, examining patterns of its formation, assessing the state and possible alternative changes in the future. Market research is the main marketing tool that determines the effectiveness of all marketing activities of an industrial enterprise.

Despite the significant changes taking place in market economy countries as a whole, in forms and methods of organizing entrepreneurial activity, unfettered market forces remain a stumbling block when selling products. Therefore, in practice of marketing research special attention is paid to promotion of goods on the market as well as orientation of research, production activities to the needs of the market [9, 10].

From the authors’ point of view, the classification that falls into market research and internal research is very relative. All relevant factors are so interwoven that sometimes it is difficult to distinguish them. The main thing is that the result of marketing research is an assessment of the enterprise potential and its positions in a specific market or its segment [11].

Market research is carried out by specialized divisions and service departments, marketing departments, departments of economic information, etc. Enterprises usually do not consider it worthwhile to save on marketing research, because losses caused by incorrect strategic decisions are usually much bigger than the cost of marketing. Possible and more significant losses are the losses of priority and position in the market. Marketing research can be carried out independently by own efforts, or the company can use services of specialized organizations. When choosing between the first and second options a number of factors are taken into account.

1. **Cost of research.** Many companies believe that it is cheaper to conduct marketing research in-house.

2. **Availability of experience in conducting research, specialists with the required qualifications.** This is especially important when using complex methods for marketing research and processing the results.

3. **Deep knowledge of technical peculiarities of a product.** Usually the company’s specialists know them better, and this knowledge cannot be passed on to specialists from other organizations easily.

4. **Objectivity.** Experts from specialized organizations are usually more objective in their assessments.

5. **Availability of special equipment: computers and specific programs for them, testing equipment.** Here the priority is usually given to specialized organizations, which possess all the necessary equipment.

6. **Confidentiality** is better maintained if marketing research is conducted by employees of the company.

In order to improve its marketing activities and ensure its long-term existence, a company should have feedback (information about uncontrolled environment, activities of the organization and effectiveness of its marketing plan).

From the authors’ point of view, in order to realize the tasks at each stage of this process, it is necessary to use certain research categories. Based on the analysis of various types of marketing research, in the context of strategic marketing activity, three basic pairs of research categories can be identified. The first pair: desk research, field research — i.e., research in practice. The second one: quantitative and qualitative methods. The third — long-term, periodic, and ad hoc research.

In view of the type of marketing research used, three main approaches to solving the task can be identified: risky, very risky, and intuitive.

**Risky.** Based on marketing research carried out by other companies and acquisition of an extensive and detailed syndicated research, it is possible to manufacture a product, which is already known but slightly modified,
under a new brand. Such product in marketing is called “me too”. In fact, this is a copy of a competitor’s product that has proved to be successful. Even if the original product is established on the market, its new version can succeed and even become a leader.

**Very risky.** This approach requires a new idea. This strategy seems to suite best to conversion companies, which possess advanced technologies and skilled personnel. It is important to take into account that even with a good start of a product it can soon be overtaken by “me too” goods. Failure at the initial stage can cause a catastrophe, especially if it is an idea that requires expensive work. Therefore, in this case, detailed marketing research is an extreme necessity, and not syndicated but ad hoc research.

**Intuitive.** Relying on intuition, launching a product without any research or testing will rarely lead to success. But a new idea, launched even without research, can still provide it. The method is suitable for medium-sized, large, and converting Ukrainian enterprises, provided that the product is a by-product of the development of a new idea and does not require expensive work and testing. In this case, it is possible to use marketing research data for implementing the basic idea.

Whatever approach is chosen based on information available, the company adapts its strategy to the environment and focuses on its customers while continuing to use its benefits at the same time. For long-term success, it must constantly search out new real opportunities that are in line with the overall marketing plan and respond to potential threats by reviewing the marketing strategy.

In general, feedback is a cybernetic concept. It reflects a flow of information from the controlled object and environment, on the basis of which management actions are taken. In particular, a considerable amount of information on demand and market conditions is feedback information. When making commercial decisions, a trader uses information on actual sales, level of inventory, degree of satisfaction of demand and consumer response to the quality of goods. This information should be received via feedback channels.

The great importance that is given to information in marketing is confirmed by the definition given by a classic marketer T. Levitt: marketing is the activity aimed at obtaining by a firm information about needs of buyers, so that the firm could develop and offer them necessary goods and services. The information consists of all objective facts, assumptions that affect the perception of the decision maker, nature and degree of uncertainty associated with this problem or opportunity (in the management process). Anything that will potentially reduce the degree of uncertainty, be it facts, estimates, forecasts, generalized communications or rumors, should be considered as the information [4]. Information is a means of communication between people, through which we receive knowledge about the world around us and processes that take place in it. When considering the problem of information, of course, it is necessary to take into account such factor as suggestion. This term implies influence on people in order to persuade them to make a certain decision. Suggestion techniques are used, in particular, in advertising, in order to arouse customers’ desire to purchase goods. In general, information is the basis for planning marketing activities at an enterprise.

Some managers of marketing information services are not fully satisfied with the information that is usually received by the marketing department. The most common problems are: unreliability of the information available; information overload, which hinders its effective processing; information is too scattered and must be gathered from different units of the enterprise; important information is quickly destroyed; impromptness in provision of information available; poor information exchange within an enterprise; impossibility to evaluate incoming information.

Thus, information is subject to regulation; it is this that necessitates establishment of a marketing information system (MkIS) that comprehensively covers the needs for marketing information.

The marketing information system involves structuring and systematizing various flows of information necessary for marketing management. A MkIS can be defined as follows: a marketing information system is a structure that includes personnel; methods and equipment intended to combine, sort, analyze, evaluate, and distribute accurate and reliable information obtained by an enterprise from external and internal sources and meant to be the basis for marketing decisions.

Marketing environment, on which managers of marketing services are obliged to keep a close watch, and from where data, messages, rumors come, acts as a source of marketing data flows, which are then processed by one of three sub-systems of gathering information: enterprise accounting system, marketing search and investigation system and marketing research. Being sorted and interpreted by marketing analysis and modeling system, these data are passed along to the management of the marketing service as supporting material for understanding the situation, decision making and control.

From this point of view it can be stated that marketing research is only one of the links in an enterprise marketing system. A MkIS is much wider. The difference between these two concepts is that marketing research is conducted at a specific time moment, while a MkIS aims at collecting and transmitting information on an ongoing basis. Further, the analysis of functions of each of the four subsystems included in a MkIS is presented.

The information provided by an enterprise’s information system should be supplemented by data on market environment and competition. This is what marketing search system deals with. These are sources and methods that allow managers to constantly keep track of
observation of the market environment usually occurs spontaneously through studying competitors, following the news, being in contacts with the professional environment, reading specialized journals and newspapers, reading professional periodicals. Since the information obtained in this way is informal and unorganized, one can ignore a very important piece of information or note it with a great delay, which leads to untimely response. This may turn even more important when a competitor starts a new initiative. However, there are many ways to improve effectiveness of a marketing search system.

1. More systematical use of sales representatives.

It is easier for an enterprise to collect information because it often contacts with buyers and distributors, and sometimes with competitors. Many manufacturers put such unambiguous task to sellers. This requires arranging a system for passing the collected information.

2. Arrangement of a monitoring system to keep watch over competitors.

Many companies have created a special service, whose task is to overwatch the market environment, and in particular, competitors. The others turn to the services of special agencies, which constantly analyze the emergence of new products, manufacturing reports, press communiqué, industrial and financial information, etc. and report to their clients, develop business plans, etc.

3. Use of services of analytical centers.

In the end, many businesses buy information. Consumer surveys are also increasingly used and exceptionally useful sources of information, as it provides ongoing information on the market and its development. Except for accounting and commercial search, decision makers often need precise studies on specific problems. As emphasized above, a marketing search system differs from a marketing information system in quality of information under investigation, dealing with exact data. For a long time, marketing research remains an episodic phenomenon. In enterprises of Ukraine this issue is paid not enough attention. In the West, in the last few years, marketing research activity keeps developing. Most of these studies can be carried out within a company that has a relevant service.

Thus, a marketing information system (MkIS) is an instrument that aims to integrate and coordinate the variety of information needed to manage enterprise marketing and develop appropriate plans. Before attempting to analyze methods for collecting primary information, it would be desirable to know the kind of information sought in order to organize the collection of data, since marketing research, in particular because of its high cost, should play only an auxiliary role. In general, the information required for application in the field of strategic marketing planning can be grouped into two broad categories: information that can help assess degree of attractiveness of the product market and information that can help assess a company’s ability to compete in this market: “success-risk” on the one hand, and “weaknesses-strengths” on the other. In addition, market analysis is a key element that needs to be introduced into a marketing information system in order to assess characteristics of an enterprise or trademark.

Decisions about saturation of a particular market by goods are closely connected the evolution of the total demand within each product market and more generally with the attractiveness that characterizes it. Attractiveness implies the main trends in the form of success or risk to which the economic factors that operate in these product markets are added, regardless of weaknesses or strengths of an enterprise that conducts the analysis. These success or risk which are beyond the control of an enterprise, can arise in different layers: particularly, in the market; in the environment of buyers, distributors, competitors; in the evolution of technological, legal, social or environmental conditions. To assess all the mentioned types of evolution, there are no precise rules, except for think the event over in time, i.e., before it happens. This is mainly a task of a system of marketing information and observation of the market environment.

1. Analysis of market trends. It is about defining the prospects for the evolution of the total demand in a particular product market within three to five years. In particular, the goal is to determine the cross-section of the longevity of the market for this product and make a prediction.

In this case it is necessary to establish: size of the whole market in terms of volume and value; trends; growth, stagnation, decline; the level of consumption for each resident, family, client; degree of saturation; average durability of the product; share of the demand for replacement of the product in the sales volume; presence of a seasonal demand; availability of similar products that offer the same opportunities; recent modifications of the product; costs associated with different distribution methods; structure of distribution; trend in the evolution of average prices; general level of advertising aggressiveness; the most used methods of advertising; lifetime of the product; short, mean, long.

2. Analysis of buyer attitude. The purpose is to describe attitude of buyers before purchasing and using a product. In addition, it is useful to further describe: situation where the purchase occurs and the factors that can affect it; socio-demographic profile of buyers by segments; buyers, users, decision-makers, managers; steps of making a purchasing decision; decisive factors for making a purchasing decision; way the products are usually used by buyers; evolution of the consumer habit; expectations and needs of buyers; purchase frequency; marketing factor to which buyers are more sensitive: advertising, ser-
vice, existing image, etc.; reasons for customer satisfaction or dissatisfaction.

3. Analysis of the structure and motivation of the distribution network. This stage of the analysis will be especially important for the consumer market and to a lesser extent for the industrial one. It is about the need to analyze possible development of different distribution branches and to outline motivation and expectations of distributors in relation to an enterprise.

In this case, it is necessary to establish: share of the market occupied by each distribution network; evolution trends of each distribution network; concentration of distribution; proportion of the advertising used by the distribution network; changes observed in the assortment; trademark of the distributor in the investigated sector; customer segments involved in the investigated network; overheads of each distribution network; level of the distribution margin in each network; trade and sales discounts practiced; importance of a supplier loan; type of help the distributor expects from the enterprise; type of incentives meant for retailers; prospects which direct marketing provides for the distributor and the company.

4. Analysis of the competitive environment. The competitive environment in a certain manufacturing sector is the framework within which an enterprise will pursue its goals of production growth and profitability. Consequently, the actual attractiveness of the sector depends largely on competitive intrigue, which is beyond the control of the enterprise, but which it ought to track on in order to develop its own competitive strategy.

This statement suggests that an enterprise should determine: number of direct competitors; share of the market occupied by its 3-5 main competitors; type of dominant competitive relationship (independence, policy of a follower, elimination of competition, barometric leadership, etc.); role of the image of existing competitors; source of the advantage of main competitors; strengths and degree of security of the distinctive elements and brand of competitors; nature of reducing production costs of leading competitors; factors hindering the entrance of new competitors into the sector; threshold preventing the entrance of competitors that have a powerful international network; analogous products and potential threats they carry; degree of concentration of suppliers and their trading capacity; degree of concentration of customers and/or distributors and their trading capacity. The information collected at this stage allows the company to determine the competitive climate, intensity of the competitive struggle in a broad sense, and the kind of competitive advantages of each competitor.

5. Analysis of economic, social, and political circumstances.

Economic environment: GDP growth or industrial output expected; prices increase supposed; economic changes that could have a negative impact on the market and demand development; measures to take in case of these changes.

Technological environment: technological development that could affect production costs; steps needed in case this happens; technological evolution that could reduce the demand for an enterprise’s products; technology sectors that can threaten the industry the enterprise is engaged in; steps that should be taken to minimize possible shocks associated with this; industries a technological breakthrough in which could influence the situation in the market; period of time in which this technological breakthrough can take place; measures that should be launched today to minimize possible shocks associated with it.

Socio-demographic and cultural environment: demographic trends that may affect the demand for products of an enterprise; effect of these trends on sales of the enterprise; socio-cultural changes that can affect the demand for products of the enterprise; changes in customer habits that could have a negative impact on the total demand in the market; character of this impact.

Political environment: laws or regulations relating to production activity of the enterprise that can be adopted in the nearest future, and measures that should be launched in this connection; financial or tax rules that can impact profitability of the enterprise’s activity; measures that should be taken in a situation where the production of the enterprise is criticized by consumer protection societies.

International situation: in case if imported raw materials and components are used, the economic and political situation in the supplier country should be taken into account; steps that should be taken in the event of a sudden cessation of supplies; possible changes in the country where the enterprise represents its products and which can affect the enterprise’s activity; benefits from or risks of creating a single European market; measures to take to prepare for the process of market unification.

Ecology: technologies used by suppliers of the enterprise that represent a threat to the environment; steps that should be taken to force suppliers to change manufacturing technology; technologies, raw materials, packaging used by the enterprise and their possible threat to health and environment; steps that should be taken in case of necessary changes; measures that should be taken in case if the production of the enterprise becomes a target for environmental movements. This information concerning the circumstances in which the enterprise operates are useful for developing market scenarios: the main scenario and one or more spare ones based on the most critical factors of the current situation.

The information necessary for continuous tracking and searching in the environment is vast and often scattered, specialized only in the sectors of an organization which is able to accomplish this task.

The analysis of strengths and weaknesses usually aims at allowing an enterprise to determine the type of competitive advantage to base its development strategy. It also aims to identify trump cards and distinguishing
features that are important from a buyer’s point of view, which can then become the basis of the strategy for entering the sector and building relations with competitors and customers.

It is important to distinguish between the weaknesses that can be illuminated from those that cannot be eliminated, since the latter are beyond the control of the enterprise. Structural weaknesses represent a high degree of risk and require special attention.

An analysis of competitive advantage of an enterprise has a structure similar to that of analysis of its attractiveness. The main difference is that such analysis refers only to an enterprise and not to the market in general. In addition, strengths and weaknesses are evaluated not abstractly but in relation to primary competitors of the enterprise.

1. Analysis of the enterprise’s range of manufacture. Its purpose is to describe the position occupied by each brand product of the enterprise on the market.

In this case, it is necessary to know: evolution of sales for each product, segment, distribution network, region, etc.; volumes, in monetary terms; evolution of the market share for each product, segment, distribution network, region, etc.; distinctive characteristics of the products; value of the image of the enterprise’s products; size of the range of products; improvements to the products that have been made; structure of the customer base; concentration of working capital; level of nominal and relative prices.

This analysis is carried out for each type of product from the enterprise’s product range. A profit and loss statement for the past years must also be presented for each type of product.

2. Analysis of competition. To begin with, it is necessary to determine in the market for each product the most dangerous competitor for an enterprise, which is called a primary one. Then it is advisable to analyze from the standpoint of these competitors the same data as for the products of the enterprise considered using a comparative approach. In order to assess the strengths of primary competitors, some other issues should be considered: relative market share held; financial benefits that priority competitors have, if any; relative prices; steps taken by priority competitors; degree of attractiveness of image of competitors; distinctive elements of competitors’ products; degree of importance of financial resources; duration of time needed by competitors to apply sanctions in a direct confrontation; vulnerable points of priority competitors; aggressive actions which priority competitors can start; sanctions or measures of protection the enterprise can apply in the case of frontal attack; changes that could affect the balance of power between the enterprise and its competitors and measures that are necessary to predict in this case; extent to which competition can eliminate the existing competitive advantage of the enterprise.

3. Analysis of the entrance to a distribution network. Being a partner in the process of commercialization in many markets, the distribution network controls the entry of products into the market, and therefore has a strong purchasing ability and can present a threat to the company. In reality, a distributor is a customer of an enterprise, the same as the end user. Therefore, the manufacturer must analyze needs and expectations of this client-intermediary, as well as those of the end customer in order to be at satisfactory interconnection with them.

In this case, it is necessary to investigate the following: the number of distributors or sellers of the enterprise’s product in each of the existing networks; level of distribution in quantitative and monetary terms; level of distribution of the brand, given the market share of the enterprise; share of sales by type of distribution; sales growth rate by type of distribution; quality of distributors involved in the commercialization of goods; reasons why a distributor is interested in the enterprise’s brand; changes that could significantly affect the relationship of the enterprise with major distributors; steps that should be taken in case of failure to cooperate with one of the enterprise’s major distributors; technological changes that can worsen the distribution of the enterprise’s product and measures to be taken in this case.

The manufacturer’s and distributor’s goals do not always coincide, thus there may be conflicts between the manufacturer and the distribution network. Because of this, it is important that a relationship of systematic interconnection and mutual transmission of information be organized between the manufacturer and the distributor.

4. Analysis of driving forces and quality of the information supplied.

Advertising, as an engine of trade, is a weapon in competition which allows distinguishing competitors, particularly, in markets where the possibility of an objective assessment of differences is limited. In view of advertising it is necessary to investigate: evolution of intensity of advertising; evolution of the share of audio advertising; structure in terms of media; advertising plots used; creative quality of advertising; efficiency of advertising in the media; information effectiveness of advertising; impact of advertising on sales, change in the market share, quantitative distribution, relation to the enterprise’s brand; number of sales force; promotional tools used.

The sales made in quantitative and monetary terms are the most accurate reference points for planning further steps. A simple analysis of sales is necessary but insufficient to assess the actual characteristics of a brand or product of an enterprise, since it does not take into account competition. An increase in sales may be due to a general improvement of the market situation unrelated to characteristics of a product. In some cases, this increase may even conceal the deterioration of the position of the brand, for example, when it was improving its performance slower than brands of competitors. Thus, to be useful, the analysis of sales should be supplemented
by analysis of the market share accurately calculated for each segment.

5. Analysis of the market share structure. In the sector of manufactured goods, samples of consumers and retailers in detail demonstrate the evolution of market shares by region, segment, distribution network. These data make it possible to carry out a thorough analysis of changes in market shares in a number of constituent elements that allow interpreting and predicting the evolution of the market share.

6. Dynamic analysis of market share. A good indicator of consumer satisfaction is the level of brand loyalty.

CONCLUSIONS

Based on the observations, it is possible to determine the level of reliability and level of attractiveness for each brand. To analyze the market share it is necessary to establish: evolution of the market share; share of a brand in the market; degree of exclusivity of the brand; factors that explain the evolution of the market share; level of loyalty or inertia of buyers; factors that explain loyalty; inertia, risk aversion, conviction; brand that buyers will turn to when changing their preferences. Thus, it is evident that the range of data to be collected is very wide, but all of them are necessary for an enterprise trying to work in the marketing environment at the macro and micro levels, especially in rapidly changing circumstances. The collection of this information can be carried out through descriptive or causal research and surveys.

LITERATURE


REFERENCES

