Marketing Management as the Realization Process of Research, Production and Sale Activity of the Enterprise

Vasiliy S. Kireev¹, Marina L. Nekrasova², Ekaterina V. Shevchenko³, Irina E. Alpatskaya⁴, Sergey A. Makushkin⁵*, Elena V. Povorina⁶

¹National Research Nuclear University MEPhI (Moscow Engineering Physics Institute), Moscow, Russia, ²Kuban State University, Krasnodar, Russia, ³Kuban State University, Krasnodar, Russia, ⁴Moscow State University of Civil Engineering (National Research University), Moscow, Russia, ⁵Russian State Social University, Moscow, Russia, ⁶Russian State Social University, Moscow, Russia. *Email: info@rgsu.net

ABSTRACT
Marketing management in the process of implementing is the organization and management system of production and sale’s activity of the enterprises, market research for the purpose of formation and satisfaction of demand for production and services and make profit. As a function of management, marketing is no less important than any activity associated with the finance, manufacturing, research, logistics and others. As the management concept (business philosophy) marketing requires the “to vote” for the necessary to them product by the money. This determines the company success and optimally satisfies the customer’s needs. Since marketing is the way to convince the masses to purchase, the majority erroneously identified this concept with sales and promotion. The difference lies in the following: Sales mainly involves face-to-face contact—the seller has to deal with potential the buyers. Marketing uses the media and other ways to capture the attention and convince many people—people who may not have any direct contact with any of the companies of the marketer by creating demand. One of the leading theorists on management problems, Peter Drucker, says it this way: The marketing purpose is to make efforts on unnecessary sales. Its purpose is so good to know and understand the customer that the product or service will exactly fit the last and sell themselves.

Keywords: Marketing, Management, Production, Marketing Activity
JEL Classifications: M31, M37, O30

1. INTRODUCTION
Marketing is a complex phenomenon, dynamic and. This explains the impossibility in one universal definition to give the complete, adequate to the main point, principles and functions of marketing performance.

Marketing concepts and its essence. If we start from the classification of the “marketing management” theory, proposed by the marketing professor of the Northwestern University of the USA F. Kotler, then “the marketing concept” is understood as “rather new approach in business activity, which claims that the pledge of the objectives achievement of the organization are the needs and requirements definition of the target markets and ensuring the desirable satisfaction more effective and more productive, than the competitors ways.”

If we start from the other classifications of marketing concepts, then there are some problems, which described in more detail below. Considering the nature of the posed question (“What is the marketing concept?”), it is possible, according to Kotler, “at the level of the phenomenon,” determine it by expressions of the type: “Find requirements and satisfy them”, “Make what can sell instead of trying to sell what can make,” “Love the client, but not goods,” “Let it be yours,” “You are our boss,” “To do everything that in our forces to compensate each dollar spent by the client the valuable importance, quality and satisfaction.” In other words, the main object in the “marketing concept,” Kotler announces...
the study of the target customers of the company to their needs, wishes and needs. The company integrates and coordinates all its activities with the expectation of maximizing customer satisfaction, receiving the corresponding profit by creating and maintaining customer satisfaction.

Thus, according to F. Kotler, on the deep essence the marketing concept is the orientation to needs, inquiries and clients’ needs supported with the complex efforts of the organization of marketing aimed at creation customer satisfaction as the basis for achieving the organization’s objectives.

2. MATERIALS AND RESEARCH METHODS

The methodological basis of the study is systematic, process and situational approaches. The paper applied the methods of expert estimates, the structural analysis and synthesis, systems analysis, the theory of decision-making.

The theoretical basis of the research is made by fundamental domestic and foreign works in the field of the marketing theory, management, the organization theory, the systems theory, operational (production) marketing, reengineering of the organizations.

3. DISCUSSION

The original “marketing concept” reflects the company’s commitment to the sovereignty of the consumer theory. However, it makes sense to compare the given “marketing concept” offered by F. Kotler to other concepts, types (or models) of marketing. Stop first on the marketing concepts taken in its historical context.

According to the classification given again by F. Kotler, all in the history (as well as in the theory and in the most “live practice”) of marketing (as “sale strategy”) is available five global, “fundamental and historical,” marketing concepts based on the commercial organizations that conducted (and conduct) the marketing activity, namely the concepts:

1. Production improvement
2. Goods improvement
3. Intensifications of commercial efforts
4. Actually marketing (or target marketing)
5. Social and ethical marketing.

F. Kotler claims that the concepts (Durovich, 2015) of production improvement and (Kostoglodov and Savvidi, 2009) of goods improvements are the sale strategy of the period before World War II; concepts (Ponomareva, 2014) of commercial efforts intensifications and (Sheynov, 2013) actually marketing (or target marketing) appeared right after World War II; the concept (Tsvetkova, 2014) of social and ethical marketing are the most modern and progressive as it is the most effective for the company that “directs efforts of the company personnel for achievement of desirable levels of sale in the different markets” and, besides, represents the phenomenon of the latest time.

Consider the main ideas of the marketing concept connected, at first, with the “pre-war” approaches.

3.1. The Concept of Production Improvement

The production improvement: The basic meaning of this concept is the assertion that consumers will buy only those goods that are widely distributed and at the price are quite available to them.

Therefore, the decisions making persons (hereinafter abbreviated - “debt management plan [DMP]”) have to focus their efforts first on the production improvement and then-on the distribution system effectiveness increase. In what situations does this concept “work”? (A) - When the demand is very high, and the offer is extremely low-deficit. (B) - When the goods prime cost is too high and needs to be lowered (then, naturally, automatic increase of labor productivity at technological level of the let-out product follows).

3.2. The Product Improvement Concept

The product improvement: This marketing concept “starts living” only after the first marketing concept is implemented-the production improving. The product improvement concept claims that consumers will buy only those goods which have the best operational properties, possess the superior quality and, the main thing,-the firm has to consider any wishes of the client on the basis of which improving the quality parameters of the product.

Therefore, “at the exit” the general management of the company (DMP) and the rest of the company staff must concentrate all their efforts on the continuous improvement of product, according to customer requests. In adopting this concept into practice must be observed very important condition: The market saturation. While there is no saturation of the market, there is nothing to speak about any quality.

3.3. The Third Marketing Concept: Intensifications of Commercial Efforts

This concept states that customers will not purchase goods in sufficient quantity, if the organization does not take appropriate (big) efforts in the field of sales promotion and demand stimulation.

It is a situation-when there is both quantity (Silnov, 2015; Shkunova and Pleshanov, 2016), and quality of goods for every taste, but there is a new qualitative aspect on sales-the factor of “an intensification of commercial efforts.”

Here is an example from the automobile market in the United States. The appearance of such car as “Volkswagen” in the USA meant: A relatively cheap car for the people, plus a range of colors, plus, in addition, developed customer service-the concept of intensification of commercial efforts (in addition, another plus appropriate psychological and ideological advertising processing: The car “Volkswagen” - “bug” - A second car for the American family, which was very prestigious phenomenon).

So, here we see that the main trend of the world marketing development associated with the transfer of marketing efforts accent, the actual production, technology and new product to the commercial efforts of service, to “the processing of consumer,” to strengthen, in the end, the social and economic well-being of the consumer goods and services.
3.4. The Concept of Actually “Marketing” or More Precisely - as it is Commonly Understood in Ukraine-Target Marketing Concept

This concept claims that the key to achieving the organization’s goals is to determine not only the needs, requirements and customer needs, but to provide the desired satisfaction for them more efficiently than the competition in ways to target markets (Mainardes and dos Cerqueira, 2015). We have considered above the target marketing essence (expressed in aphorisms like: “Find the need, or create the customer’s needs to satisfy them;” “Love your customer, not your product,” etc.); but, obviously, it makes sense to further analogy to the market of the car in the USA.

The example of implementing the actually “marketing” concept in the USA is the emergence of Japanese “Toyota” varieties - small car “Crown.” The car:
1. Was for the people and rather cheap
2. Had a various color gamut
3. Had a customer service
4. Had the conditioner, mini-television, radio, phone, and a luxury sauna with the trailer.

So, as some preliminary conclusions on the subject it is possible to approve the following: In the 1920s in the United States, as well as throughout the world, practically there was no “marketing concept” in the form in which F. Kotler presents it; namely: There were the production and goods improvement concepts.

Henry Ford was the first who entered the market with the cheap standard car that began to be made on the conveyor.

Then, on the first place in sales came “General Motors,” which produced similar class cars, but with a whole range of different colors, satisfying different customers tastes. Further, after the World War II, the American market was broken through the German “Volkswagen” - a cheap car for people due to creation of own customer service (the concept of intensification of commercial efforts).

Finally, as an example of the concept of “actually marketing” (or, more precisely, “target marketing”), it is the fact that the Japanese firm “Toyota” has developed specifically for the US market compact car “Crown,” the first car in its class with air conditioning and other customary for the American motorist attributes and eventually won 20% of the imported car market.

If we talk about the fifth type of marketing, that is, in F. Kotler’s terms, about “social and ethical marketing,” this concept of marketing is considered the most modern. It, in particular, claims that the firm objective is not only the performance of all conditions relating to the marketing concept of the above types 1-4, but also - at the same time preserving and strengthening the well-being of society as a whole and of each individual customer basis.

The difference between the social and ethical marketing from the other types is that the firm that meets the needs, requirements and demands of customers, should act taking into account the long-term benefit of society and consumers (Kunelbayev et al. 2016).

Such orientation of the firm image also has to attract buyers as a factor of competitiveness of this firm among the others.

As a final example of the automotive market for this marketing concepts type, can be widely advertised Swedish electric car: The Swedes have developed and practically implemented a model that satisfies all the points of the concepts 1-4, plus the lack of exhaust gases. The concept of social and ethical marketing just starts finding the market niche in practice of marketing activity, and it is sufficient is perspective. However, its obvious market weakness that the price of the electric car is, as a rule, twice higher, than the car price on the petrol engine.

So, the concept of social and ethical marketing demands balancing of all three factors: The company’s profits, buying needs and interests of society.

The essence and role of marketing price policy. The prices and price policy are one of the main components of marketing activity. On how correctly and thoughtfully constructed price policy, commercial results, degree of efficiency of all production and marketing activity of firm, enterprise depend.

The essence of the targeted price policy is to be installed on products such prices and to vary them depending on the position in the market to acquire its shares, to ensure the competitiveness of goods price indices, planned amount of profit, and other tasks.

In the area of price policy of the company, the issues of wholesale and retail prices, all pricing stage, and tactics determine the initial price of the goods, the tactics of price correction are included. Solving these questions marketers establish the optimum price that promotes increase of profitability of firm on goods.

For manufacturers operating in the market, regardless of the ownership issue of prices is very important. Prices are in close relationship with all the variables of marketing determine the profitability of the company, its viability and financial stability. Achievement of commercial results in many respects depends on the prices, the right or wrong price policy makes long-term impact on all activity of production-complex supply company. The correct technique of the price establishment, reasonable price policy, and consecutive realization of deeply reasonable price strategy makes necessary components of successful activity of any commercial enterprise in tough market conditions.

The basic principles follow from the essence of marketing. However, in domestic and foreign literature “the marketing principles” are understood as rather various things. Having considered positions of different authors, having compared them, we allocate the following fundamental principles:
1. The careful accounting of requirements, states and dynamics of demand and market conditions in making economic decisions
2. Creation of conditions for the maximum adaptation of production to requirements of the market, to demand structure (and not on the basis of short-term benefits but long-term perspective)
Marketing activity is a complex of activities focused on the study of such questions as:

1. The analysis of consumers, as actual (current buying the company’s products) so potential (which still needs to convince become relevant). This analysis is the study of demographic, economic, geographical and other characteristics of the people who have the right to decide on the purchase, as well as their needs in a broad sense of this concept and the acquisition processes of both our and competing products;
2. Study of the existing and planning of future goods, i.e., the concepts development for the new products creation or upgrading old ones, including their assortment and parametric series, packaging, etc. outdated, not given a predetermined profit goods are removed from the production and export; Planning product distribution and sales (Chueva et al., 2016), including, if necessary, the creation of the relevant value chains with warehouses and shops, as well as agency networks; providing demand creation and sales promotion (demand creation and sales promotion) through a combination of advertising, personal selling, a prestigious non-profit activities (“public relations”) and various economic incentives to buyers, agents and direct sellers; Software pricing policy, which consists in planning systems and levels of prices for exported goods, the definition of “technology” the use of prices, credit terms, discounts, etc.

Satisfaction of the country technical and social norms of the enterprise importing goods that means a duty to provide due levels of the goods use safety and environment protection; compliance to moral and ethical rules; due level of consumer properties of goods; management of marketing activity (marketing) as system, i.e., planning, performance and control of the marketing program and individual duties of each work participant of the company, assessment of risks and profits, efficiency of marketing decisions.

For implementation of above-mentioned actions, it is necessary to take into account a big role those from whom, in fact, depends the acquisition of goods by the buyer and satisfaction of his revealed requirements (Tsai, 2009; Rylov et al., 2016).

The market, on which subjects of marketing act, can be divided into “the market of the seller” where the enterprise realizes own production, and “the market of the buyer” in which it gets the necessary production components. Thus, marketing in the main measure is favorable to both sellers and buyers of goods.

However, before coming into contacts with the interesting partners, it is necessary to establish:
- Whether other side is interested in it
- Whether there are technical means of communication (telephone, fax) and the person responsible for communication.

Connection and business communication with the valid and potential partners is the most important part of marketing.

Obviously, the type of marketing defines a way of its control. Marketing management, by F. Kotler’s definition is the analysis, planning, implementation and monitoring of activities designed for the establishment, strengthening and maintaining profitable exchanges with the buyers in order to achieve specific company objectives, such as profit, increased sales volume, increase market share, etc., (Kotler et al., 2011).

The task of marketing management is the impact on the level, time and nature of demand in such a way that it helped the organization to achieve its goals. In other words, management of marketing is a demand management. Allocate five main approaches (concepts) based on which the commercial organizations carry out the marketing activity:
- The concept of production improvement
- The concept of goods improvement
- The concept of commercial efforts intensification
- The concept of marketing
- The concept of social and ethic marketing.

The use of each of them, first, raises the question of what should be the balance of producers, consumers and society interests. After all quite often, these interests conflict with each other.

In today’s economy, every company needs to build the activity based on planning. Planning should cover all areas of the company activity (production, human resources, financial, investment, marketing, technology, tax, etc.), but for different functional areas of the company emphasis in planning activities may vary. For marketing, investment, technological activity characteristic of a shift towards strategic management, while for industrial, financial and tax-towards operational.

Usually the companies make annual, long-term and strategic plans.

Marketing takes care of the consumers’ needs and the company’s ability to meet them; the mission and the company objectives determine the same conditions. In strategic planning, many companies use marketing concepts, and it is sometimes difficult to separate the strategic planning of marketing. In practice, some
companies call their strategic planning—the strategic marketing planning.

For the majority of the successful modern companies marketing is the fundamental ideology of the company business defining strategic and tactical behavior in the market (Shkurkin et al. 2016). In this regard, allocate two main applied aspects of marketing activity of the company:
1. Analytical (understanding of the markets, its comprehensive analysis)
2. Active (penetration on the markets, impact on them).

Therefore, in today’s economy for the company marketing, it is already not enough to lean one of marketing concepts, it is necessary to have accurately expressed division into two directions: Strategic and operational marketing.

Strategic marketing is the marketing process that is carried out by a market-oriented company in order to achieve the indicators exceeding average market by systematic carrying out policy of creation of the goods and services providing consumers with goods of higher consumer value than at competitors (Sundbo, 2015).

Operational marketing is the active commercial process with the medium-term horizon of planning directed on already existing markets and aiming to receive the set sales volume by use of the tactical means relating to goods, sale, the price and communications (From the point of view of the planning horizon it is a tactical marketing, however during the numerous translations into Russian the name “operational” was fixed [not to confuse with active one]).

The strategic marketing aims the company at the attractive economic opportunities and the directions adapted for its resources and advantages, providing potential for its profitability and growth.

Within the strategic marketing: The company mission is specified, the purposes are defined, the development strategy are designed, and the balanced structure of a commodity portfolio of the company is provided.

4. MARKETING MAIN METHODS: SEGMENTATION, DIFFERENTIATION, CREATION OF COMPETITIVE ADVANTAGES

Thanks to these receptions, marketing knowledge turns into a set of concrete strategy by which the company in the marketing activity is guided. In most cases, the companies achieve success, having concentrated on that group of consumers, which they can serve better, than the other has (Barmuta et al., 2015). Therefore, segmentation can be considered as a certain compromise between the mass marketing assuming use of the same goods, methods of stimulation and distribution regardless of consumers specific needs, and an assumption that marketing has to show an individual approach literally to each person. Today target marketing is the decision on identification of various groups of the consumers making the market, and development of the corresponding goods and marketing complexes for the chosen target market practices.

The main stages of target marketing are market segmentation and a choice of the market segments target; positioning of goods in the market. Market segmentation is the market division into accurately certain groups of buyers, for each of which separate goods and marketing complexes are required. For search of the best opportunities of segmentation, the marketing specialist seeks to carry out market segmentation based on various variables (Uchenova et al., 2014). At segmentation of the consumer market the geographical, demographic, psychographic and behavioral principles form are the bases.

Segmentation by the geographical principle involves opening to the company two opportunities: To concentrate the activity on one or several such geographical segments, or to work at once in all segments, but paying thus special attention to distinction in the periods and the clients’ needs caused by the geographical position.

Most frequently used demographic principle—the separation of the market for consumer groups based on variables such as age, sex, family size, family life cycle stages, level of income, education, etc.

According to lifestyle the market is divided into three main segments: (a) Sedate people whose expenses are limited to the size of income; (b) the average majority-people who seek success and prosperous; (c) innovators—a segment that consists of passing and reformers.

When segmenting by the behavioral principle buyers share on groups depending on as far as they know goods as treat it as use or as realize it.

Distinguish such segmentations in reasons for commission of purchase or use of goods—divide buyers into groups based on those occasions, which promoted emergence of idea about acquisition of goods, to the actual acquisition of goods, or use of the goods acquired earlier.

The main variables used for segmentation of the organized consumers markets are the demographic principle, technological variables, the organization system of purchases situational factors (urgency, demands for goods, the order size), individual characteristics (similarity between the buyer and the seller, the relations to the market).

The core strategy of the company indicating the direction in which it needs to move in order to succeed in the market, which it has set for itself as target. With the help of differentiation, it develops their strengths to satisfy the needs of the target market, followed by its positioning in the market; it controls the ability of consumers to the company and the perception of its products.

Differentiation helps to extract benefit from the competition for itself. It gives it competitive advantage. If the company is distinguished with nothing from other competitors, it will be compelled to resort to the price competition.
There are four main ways of differentiation: On goods, on service, on service personnel, on image. Relative simplicity of development of the latest technological developments means that it becomes more difficult to achieve differentiation on goods.

Today, when choosing a product, people are increasingly paying attention to the differences in the level of service and the image of the product. Now becomes very important differentiation in the level of personal qualities of the staff. A company can achieve a significant competitive advantage by hiring and training more skilled workers than its competitors can.

Existence at the company of the strong functional parties gives it competitive advantage. Positioning of the market is a way, in compliance with which consumers identify these or those goods according to its major characteristics.

Consumers often are filled up with various information concerning goods and services. To simplify process of making decision on purchase, consumers usually distribute goods and services in a number of categories - “position” in the consciousness.

According to Rice and Trout: “Positioning begins with goods, some component of trade process, the company and even with the certain person … but positioning is not that you do with goods and that you do with consciousness of the potential consumer. Otherwise, you position goods in consciousness of the potential consumer” (Kotler, 2014).

Marketing specialists plan occupation of those positions, which would provide with their goods the greatest advantage in the chosen target markets and develop marketing programs.

To achieve the company success it is necessary to be guided by the consumer-to provide its customers the highest value target. They need to know it is not just about creating products, but also the creation of the consumer certain value orientation, which is closely associated with the company; we must master not only the technology of goods production but also the market technology. The value provided to the consumer is a difference between the cumulative consumer value and cumulative expenses of the consumer - “benefit” of the consumer. Consumers, as a rule, choose the offer providing the highest possible value.

The level of customer satisfaction is the feeling that a buyer has after he made sure that the product or service to a certain extent consistent with its expectations. The consumer is simply satisfied when his expectations are met and delighted when they exceed its original expectations. The satisfied consumers keep the commitment to goods of the company usually more long, buy more, are less sensitive to the price and well speak about the company.

To achieve a certain level of satisfaction, the companies have to operate the chains of value and systems of granting value. The company purpose is not only attraction, but also deduction of the consumer. Marketing relationship with consumers offers creation of financial and public benefits, and structural communications with consumers. The companies have to determine the level at which want to build relationship with various segments of the market and certain consumers.

In order to ensure an appropriate level of customer satisfaction and ensuring the profitability of the main approach is a comprehensive quality management. Companies need to understand how consumers perceive the quality and what they expect. It is necessary to try to satisfy consumers’ expectations in terms of quality is better than the competitors do.

According to the marketing concept, the organization achieves competitive advantage by developing proposals that meet the needs of target customers largely than its competitors offer.

The organization can provide greater customer value by offering customers lower prices compared with competitors or by providing greater benefits. Thus, marketing strategy have to consider strategy of competitors, analyze competitors.

The competitors’ analysis includes the main competitors identification; the collection of information about strategy, purposes, strengths and weaknesses, and the spectrum of possible reactions of competitors.

The more strategy of one company is similar to the strategy of the other; the level of the competition between them is higher. The most intensive competition takes place in strategic group (group of companies, following one strategy), but exist also rivalry between groups. The company needs to analyze quality, characteristics and completeness of each goods of the competitor, and to know everything about service of consumers, a pricing policy, and a zone of distribution of goods, strategy concerning the personnel, advertising and sales promotion.

The preference of this or that competitive marketing strategy is given depending on the company position in the industry and its objectives, capabilities and resources, the company type.

The market leader to increase the market volume is constantly looking for new consumer products, new uses for the product. To protect existing market share of the market leaders are choosing the right actions, not giving rivals no chance to attack. The leader may seek to increase its market share if it leads to an increase in profitability. Company-applicant is seeking to increase its market share, attacking the leader. Company-follower seeks to survive on the market “does not overturn the boat”. She tries to use their special skills to achieve market growth. The company, serving a niche market is a small company serving the market, which do not attract large companies.

5. CONCLUSIONS

For effective competitive businesses, the enterprises use marketing as a tool to increase market share and better meet the population needs with services. That is, marketing is one of the most important elements of the enterprise, which should be paid enough attention.
Recently Russian company managers working in the service sector are increasingly interested in marketing services. Obviously, this interest is caused by the privatization of non-production sphere and the rapid development of various branches of services (insurance, recruitment, tourism, private medicine, etc.).

Now it is important not only to produce high-quality goods and services, but also to organize their sales. Therefore, great importance is given to marketing. Marketing motto for today is to produce that is bought, but not to sell what is produced.

Modern marketing is not simple development of good products, determination of its price and granting to buyers. Except that, the company have to enter the relations with the real and future clients.

Implementation of marketing is the process of marketing strategies transformation and plans for marketing activities to achieve strategic marketing objectives. Implementation is in daily and monthly for the effective implementation of the marketing plan. If marketing planning wonder what and why, the implementation asks questions who, where, when and how.

REFERENCES


