

40. MARKETING IN UKRAINE

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Several years ago Ukraine started its moving to a market-led economy. The process of transition requires fundamental economic, political and organizational restructuring of the society. It pushes the managers to change their traditional priorities from increasing production volume to identifying the appropriate target markets and developing products and services that meet the consumers' needs. It means the strong necessity for the business units to adopt and practise effective marketing.

The process of economic transition to a market economy and adoption of marketing in Ukraine takes place under high and variable inflation and under much economic and political uncertainty. Industrial production in Ukraine has continued to decline until recently.

The main barriers to the adoption of marketing reported by Ukrainian companies are connected with the limited financial resources, difficulties in changing former relations of the company and lack of marketing skills. Another significant barrier reported by the Ukrainian firms was a lack of co-operation between marketing and other functional departments under the conditions when all individual departments were preoccupied with their own priorities. It shows the compartmentalized approach to business with the marketing activity restricted to the sales marketing departments where they exist.

The large influence of limited financial resources on the process of marketing adoption in the Ukrainian firms was connected with the extremely difficult economic situation experienced in Ukraine during last three years. In spite of the unstable economic environment, Ukrainian firms demonstrated an increasing understanding of nature and role of marketing which was investigated along with the great difficulties in changing former relations inside and outside the enterprises. This kind of barrier was connected with the slow rates of economic reforms and remaining old system of relationships between the state and the enterprises.

Notwithstanding the substantial progress made by many Ukrainian firms, a lot of others have not yet overcome the barriers in adopting and organizing marketing in accordance with the Western conventional wisdom.

Adoption of marketing in the Ukrainian firms can be presently described as a movement from a selling-oriented stage to a customer satisfaction-oriented one. The insight on marketing functions used by the Ukrainian enterprises shows that sales support and promotion is seen as the most important aspect of marketing activity while considerably less attention is paid to understanding customer's needs.

Customer satisfaction focus requires deep understanding of market based on marketing research. About 25 % of respondents reported using marketing research for better adaptation to the changing environment. However, presently marketing research activity at Ukrainian enterprises can be defined as simple fact finding that usually includes gathering information and some functional monitoring. Only exceptional enterprises try to use marketing research for contributing inputs into operational planning and problem solving.

So, the study demonstrates that Ukrainian firms practiced a broad variety of marketing approaches from production orientation through sales promotion orientation to marketing orientation.

The study demonstrates that Ukrainian firms practiced a broad variety of marketing approaches from production orientation through sales promotion orientation to marketing orientation. Ukrainian companies that practiced marketing orientation demonstrated the most significant improvement in their performance comparing with the other companies. Ukrainian managers showed an understanding of marketing as a sales support activity and they organize for marketing by establishing a separate marketing department or employing marketers in the other departments.

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