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## Principles of marketing management of a modern enterprise

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### ABSTRACT

The essence of the category of "principle" was analyzed and principles of marketing management in groups of value-oriented, conceptual-regulatory, tactical analysis and design were systemized. The complex of marketing management principles for enterprise activity in modern conditions was formulated. This complex included the following: social and ethical management, permanent increase of marketing direction of the management and staff activity, flexible management, regular research of activity factors, functioning on the basis of strategic plans, coordination of multi-level objectives, balancing the objective and subjective quality of products / services and rapid development of enterprise informatization.

**Keywords:** marketing management, principle, modern enterprise

### 1. INTRODUCTION

General purpose of activity of current enterprises is to strengthen their competitive position in the market not only today but also in the strategic perspective (Shulgina, Tkeshelashvili, 2011, and etc.). To achieve the mentioned strategic objective, a set of tactical objectives has to be realized, success of implementation is measured by the following indicators: positive trend in sales and market share, rising the level to meet the needs of existing and potential customers and goods of enterprise etc.

In the current strong competition, the company's ability to achieve these goals largely depends on availability of advanced marketing management system that would function in compliance with the defined marketing principles.

## **2. MATERIALS AND METHODS**

### **2. 1. The object and methodology of the study**

The purpose of this article is to formulate the principles of marketing management of companies that operate in the present conditions of intensified competition.

The methodology of the study was based on the system approach and includes content analysis, historical comparative analysis, methods of induction and deduction. The sources of information were monographs, articles and reports research of Ukrainian and foreign authors.

### **2. 2. Analysis of latest research and publications**

Analysis of latest research and publications indicates the existence in scientific literature of ambiguous approaches to the interpretation of these terms. According to the definition in the philosophical dictionary, principle (from the Latin. principum – the beginning, a foundation) – is primordium, what is the basis of a set of facts, theory, science (Philosophical Dictionary). In economic terminology dictionary is offered very similar definition: "Principles of marketing – The basics of a marketing theory that ensure the realization of its goals" (Politeconomy. Glossary).

However, some authors believe that the principles of marketing - a system of components of marketing-mix, which is called the complex "4P". Thus, in the scientific article "Four principles of marketing" T. Cohn (2004) as well as in the research paper "Marketing: principles and strategies" G. Assel (2001) and "Principles and practice of marketing" D. Dzhobber (2000) are any interpretation of the phrase "principles of marketing" or theoretical basics that could be attributed to the marketing principles. Instead, in these publications were discussed aspects which should be delivered to (Konoplitsky, 2007): the tasks of marketing (analysis of market opportunities, the formation of the marketing and etc.), objects of marketing research (purchasing behaviour of consumers, target segments and their characteristics, etc.); marketing functions (development strategies and selection methods of pricing, etc.).

From the content of the shown examples it follows that some authors mistakenly use the term "marketing principle." This introduces additional confusion in unfinished terminology which was taken for analysis of the problems and to some extent it can be explained by widespread inaccurate translations English-language scientific literature in Ukraine. For example, the English term «principle» in Ukrainian can be translated in five variants: a) basic starting position; b) guiding idea; c) a foundation of construction and activity; d) the law; e) regularity (Alekseyenko, 2000). It can be assumed that the term "principles of marketing" in the titles of scientific papers points on analyse the basic rules of usage marketing methods and tools for achieving the goals of the company which was conducted by scientists.

Marketing specialist Bill D. In the article "Principles of marketing" examines the following main principles (or rules) of marketing: identifying the target group of consumers of products the company; the strengths of this group and development the supply (product / goods); creating communication applications that adequately reflect the ability of supply to

meet the needs of the target segment of consumers; positioning the company and its products on the market, to which relates the target segment of consumers; ensuring the availability of the products/goods for the target segment of consumers (Beale, 2006). Scientist proposes a such sequence of the implementation of marketing principles: identifying potential buyers, on which the company orients → clear outline their needs → business location in a place comfortable for buying products→ providing a possibility to get a higher coefficient of profitability comparing with the costs which were incurred.

The concept of marketing claims that "by achieving its goals by company depends on the ability to identify the needs of target segments and provide them the way how to meet those needs efficiently and effectively than their competitors"(Assel, 2001; Myntsberh, 2001). According to that, G. Huley (2005) developed the basic principles of the theory and practice of marketing, the use of which can radically change the response of an enterprise on customer needs, and therefore interaction with customers.

**2. 3. The main principles of enterprise marketing management**

Our analysis showed that the purpose of all proposed principles is to focus on the needs of the target markets of consumers, and the starting position of their development – it is a concept of marketing (Table 1).

**Table 1.** The main principles of enterprise marketing management  
(author’s development based on G. Huley, J. Saunders, N. Pirsy, 2005)

Principle	Goal	Necessary actions	Result	Comments
Focus on customer needs	Satisfy customers In the best way	Perfect studying the desires and needs of consumers, identify ways to meet them	Increasing the number of customers, increasing their purchases	This principle is the core of marketing concept
Competing only prospective markets	Choose the market correctly	Definition of market attractiveness and competitiveness of the company and the necessary skills and knowledge	In a competitive environment the company has enough capacity to compete	Provides to make informed marketing decisions based on the implementation of SWOT-analysis
Consideration of the product as a way for meeting the needs of consumers	Direct the activities on solving the problems of consumers	Conducting research in terms of "usefulness set" product based on what customers perceive the product as a tool that can solve their problem	Increasing the number of loyal customers	Promote the formation and expansion of the range of regular consumers through increasing in their loyalty

Consideration of marketing as a philosophy activity of all enterprise	Direct the activities of all units on the basis of marketing	Organize work units so that each activity has the final goal of customer satisfaction	Avoiding polar approaches as: «f marketing it is an affair of every one, it can turn into a anyone`s affair»– «creating a marketing unit which is only one is involved in marketing»	Explains the essence of enterprise marketing management
Determining the differences in the structure of markets	Clearly adhere a chosen segment	Perfect research of submarkets, segments and individual customers	Preventing the creation of a universal product that makes the company more vulnerable for clearly targeted competitors	Recognizes the level of usefulness of the proposed product
Orientation on trend of change in the market and customer needs	Extend the period of existence of the products/goods on the market	Regular improvements of proposed products/goods	Save the leading position after the market entry of a new competitive product/good	Allows enterprises to achieve the strategic goal

It should be noted that the principles indicate the general direction of the enterprise management system, they define the limits and characteristics of relations that objectively form during the process of management. Author T. Zajacks (2006) offers the following definition: "management principle – it is objectively justified and generally accepted rule or guiding principle (position), which has to be observed during management activities in order to make it effective".

Furthermore, the scientist stresses that the principles of marketing management should be based on the one hand, on the general principles of management, and the other – to consider features of marketing as an object of management, particular, including its system complex nature. Hence, the system of marketing management principles – it is a set of clearly defined rules of exploration of commercial niche, finding favourable sources of financing, the formation of customer needs and determine potential unmet demand.

#### 2. 4. Defining of three groups of principles

According to V. Tkachuk (2006) a marketing system of business management should be based on the principles of the three groups:

- value-oriented;
- conceptual and regulators;
- tactical analysis and design.

Value-oriented principles are to establish appropriate organizational and management system of an enterprise and its market position based/creation competitive advantages. Also, special attention is paid to creating a qualitative product, which in turn is a prerequisite for the formation of stable positive company image (Figure 1).

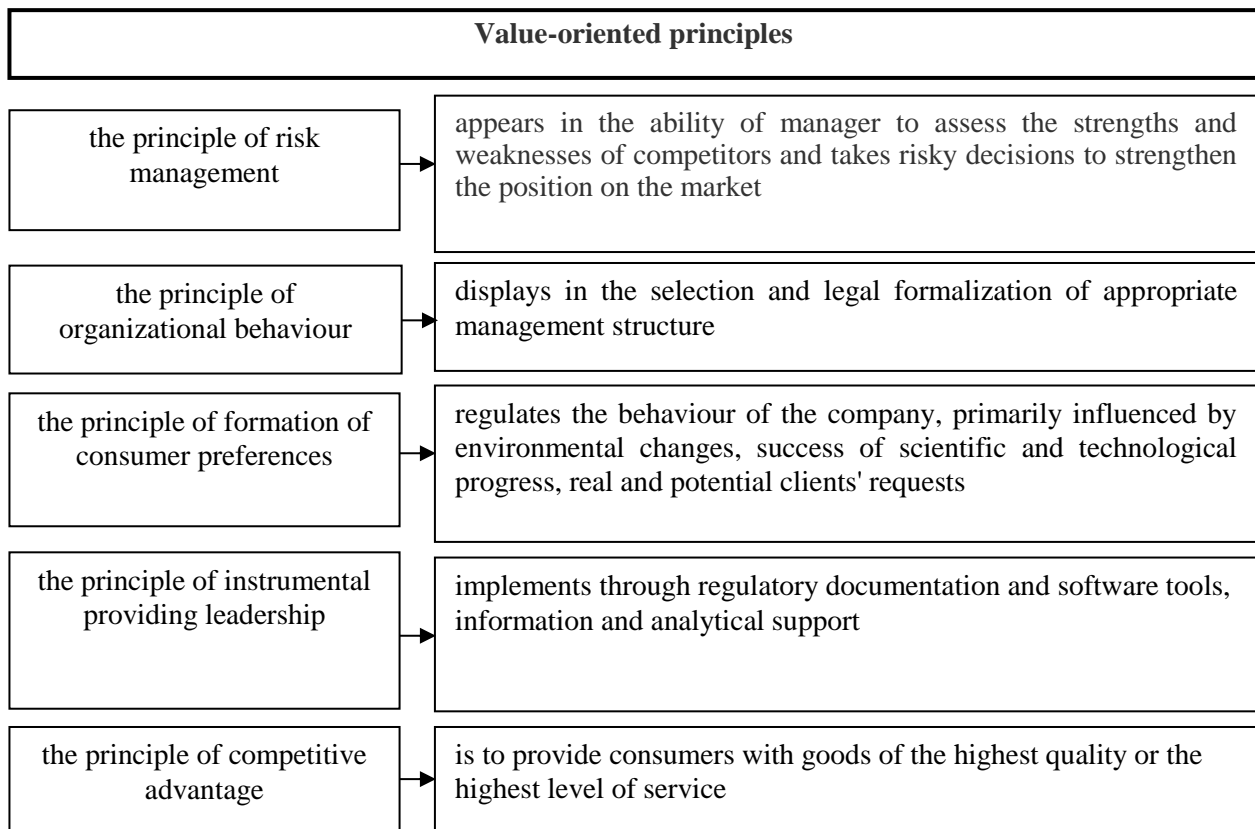
Conceptually-regulatory principles determine the strategic behaviour of enterprises in conditions of risk and uncertainty. Each company faces a difficult choice, especially if the economy is in a state of stress or ceases to grow. Therefore, the decision which is taken by the manager, has even greater consequences.

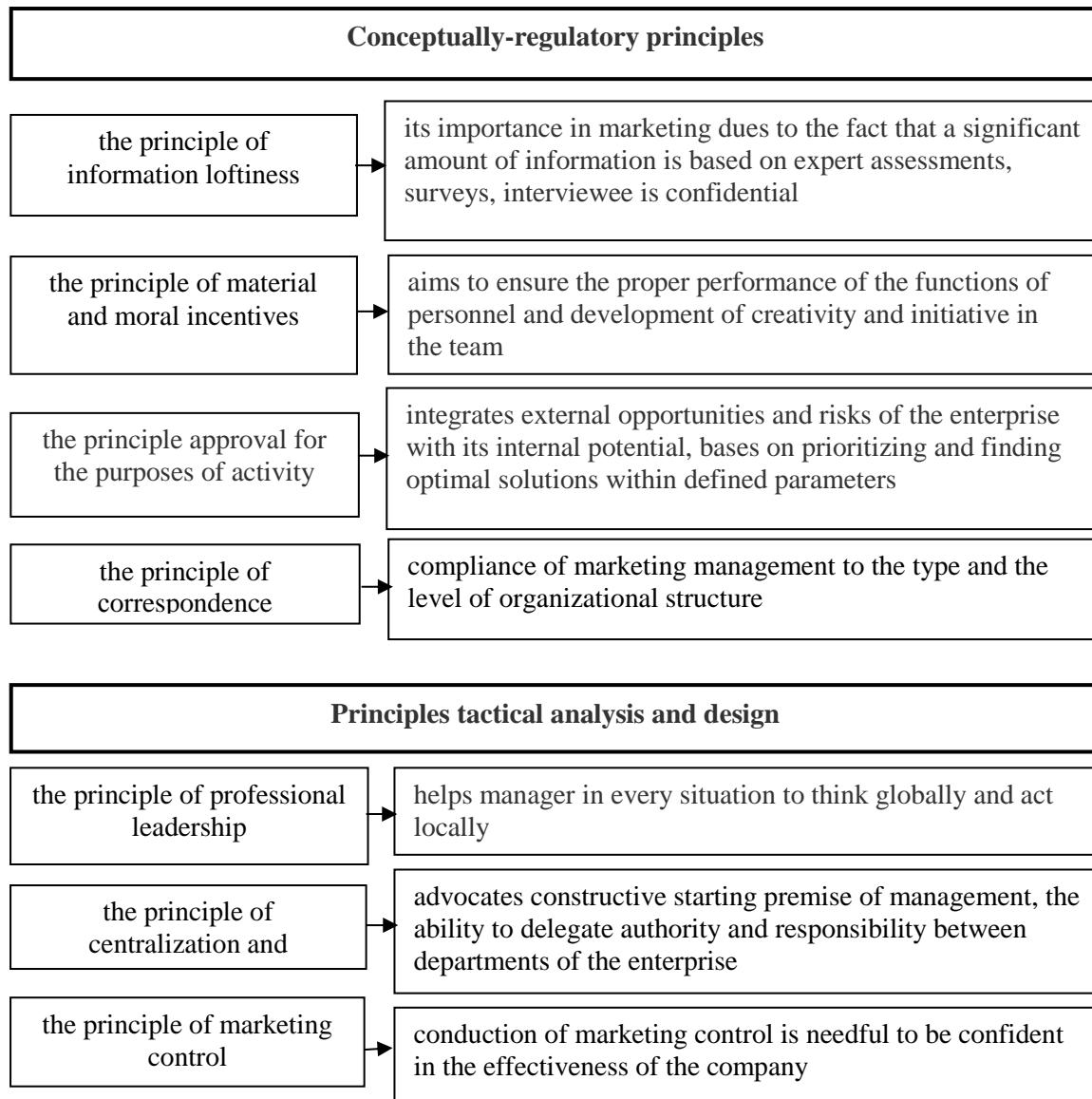
Particular importance is the issue of awareness concerning the actions of competitors and keeping track of new needs on the market, and motivating and encouraging staff. Reducing the cost of training and staff development during the economic crisis F. Kotler (2009) considers as one of the ten biggest mistakes that the company can assume during the turbulent economy.

Principles of tactical analysis and design characterize the ways how to achieve objectives and appropriate sequence of actions. For the reason that, management – is a complex and dynamic process, which is driven by people and is carried by them to achieve this goal.

## 2. 5. Characteristics principles of marketing management

The condition for realization of these objectives is to organize the activity which is based on our formulated **principles** which are outlined below.





**Figure 1.** The principles of marketing management

(was developed by author under Tkachuk, 2006)

- *The principle of social and ethical management.* Its essence is ethical behaviour of entrepreneurs on society, which rejects any actions that may harm to an individual or to society in general (or their environment) at that moment or in the future. In addition, no less important feature of social and ethical management is to develop such relationships between enterprises which are based on high moral business standards, including compliance laws and contractual obligations, monitoring safety and quality of products. Foreign experience shows that ethical business usually leads to higher efficiency of intangible assets and to increase profits of enterprise.

- *The principle of permanent increase the level of marketing direction of the management and staff.* This principle implies awareness by managers and subordinates the

key role of marketing as a modern business philosophy and - on this basis – continue to improve personal and professional traits, finding the most appropriate skills and etc. This will be useful for the following methods: participation in thematic seminars and training programs, collection of new information about the benefits of target markets and use of experience of market leaders to meet needs of target markets, implementation of innovations and etc.

- *The principle of flexible management* requires coordination of administrative functions, creating an adaptive management system which would be capable for self-organization and restructuring. The key task of flexible management is to support stability inside the system that operates in permanent changes of environment. In practice this means to monitor changes in the external and internal environment of the enterprise, as well as flexible response: the use of the most appropriate management style, decision-making, not as a reaction to the events and phenomena, and above all - how to prevent them, which takes into account not only current but also future needs.

- *The principle of continuous research factors of activity* means that the development of strategies should be based on regular research cause-and-effect link, which influences the results of activity. Involves the use of program-based approach in shaping marketing programs, study a unique set of marketing tools to influence both the internal and the external environment.

- *The principle of operation based on strategic plans* points the need to consider the balance between economic and social factors that affect the company not only in the short period of its operation, but also in the future. Hence the expediency of conversion strategies emerges and the expediency of strategic objectives in a package of specific measures at all stages of the life cycle of the company appears.

- *The principle of multi-level coordination purposes* provides the harmonization of objectives on different levels of planning (strategic, tactical, operational) and at different levels of implementation (employee, department, company, partners). The implementation of this principle will get rid of the duplication of functions and tasks for each of these levels, and contribute to achieve the synergistic effect of the harmonized concerted action of all participants in the system.

- *The principle of balancing the objective and subjective quality of the offered products/goods* provides current proposal and quality of the product (from the company) also appreciation and positive perception due to its adequate knowledge about it (by the customer). Mentioned balance is achieved if the company uses the tactics of active adaptation of production to the market needs (based on strategic planning and forecasting consumer behaviour of target markets). Considering that the target consumers have real expectations of the company offers as a useful, relevant and valuable product or good. For the reason that they are aware of the possibility of having formed a clear position and positive image.

- *The principle of rapid development of information activity* means that the company has to monitor new technologies to provide them in all parts of the business. At the level of the environment it concerns the development of relations with customers through the introduction of online orders and other software products with the aim to improve service and strengthen relationships with partners. In the internal environment - a simplification of interaction between all departments of the company, to avoid duplication of functions and expanding their range to improve overall effectivity.

### **3. CONCLUSIONS**

Developed key principles of implementation of marketing management is the foundation that will allow to build effective organizational system of the company on it. However, the strength of the foundation, as constructed system capacity will depend on a lot of different factors, but primarily on the level of preparedness of manager and team to understand the essence of the mentioned principles and implementation priority tasks, which emerge from it. In turn, readiness determines the level of understanding and awareness of their importance for achieving strong competitive advantage that will provide to it a steady current and future competitive position on the market.

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