

MARKETING INNOVATIVE POLICY AT MEAT FOOD MARKET

Bogdan Kusniak, DSc. in Economics

Viktoriiia Dobrianska, PhD in Economics*

Lubov Tytarenko, PhD in Economics**

Poltava National Technical Yuri Kondratyuk University

ORCID* orcid.org/0000-0002-7639-6908

ORCID** orcid.org/0000-0002-2112-7380

© Kusniak B., 2018.

© Dobrianska V., 2018.

© Tytarenko L., 2018.

Стаття отримана редакцією 01.09.2018 р.

Introduction. Market relationships development has dramatically changed economic conditions of enterprises functioning. These conditions are characterized by external environment increased instability and uncertainty, strengthening competition at internal and external markets. Due to these an issue of their viability provision and search of sources for economic stability and further development maintenance is of particular importance for domestic enterprises. Analysis of householding conditions indicates that an important direction in food industry enterprises adaptation to the changing market environment is formation and implementation of rational commodity innovation policy.

Resent researches and publications review. At present, development and implementation of reasonable innovation policy is an integral part of the marketing plans implementation. Therefore, study of the elements, bases and approaches to this policy is an important objective of modern scholars. Here should be particularly noted scientific works by such famous foreign authors as H. Van Heerde and T. Robertson [4; 9]. Separate aspects of marketing innovative policy formation are revealed in the works by domestic authors, namely: Yu. Dainovskyi, N. Honcharova [2; 3]. Experts-practitioners note that deep scientific researches are necessary to investigate issues concerning enterprise innovative policy organizing, and first of all, its creation in terms of European integration [8].

Altogether the study of literary sources as well as practical experience of meat processing industry domestic enterprises functioning [1] indicates that marketing problems and especially innovations marketing are not sufficiently explored. It particularly refers to estimation of new products launching the market, guaranteeing their commercial success, which requires developing modern principles, methods and tools of marketing management.

The article aims specifying. The objective of the work given is apprehension and investigation of the enterprise innovations marketing and practical implementation of theoretical knowledge aimed at its successful functioning at the meat food market.

Main research material presentation. Domestic market of meat processing products, which includes sausages, ready-made meat products and canned meats, as well as semi finished meat products, in monetary terms makes an essential part in the food products manufacturing. When compare dynamics of manufacturing meat products and food products in general, we can conclude on the prospects of meat and meat processing market development of [10].

Domestic meat processing industry is characterized by high development potential and requires innovative changes. In order to increase the level of meat processing enterprises profitability, a single system

for production, processing and ready-made products realization ought to be created. Meat supply steady development may be achieved by relevant innovative policy at all the enterprises – technological process members (from agricultural stock production to ultimate production realization), which will make positive impact on solving the principal problems, stabilization and success of the whole meat and meat processing complex.

In this relation, at “Hlobyno Meat Processing Factory” LLC the following are carried out:

- mastering of new products being produced;
- new equipment, refrigerators and materials implementation into production;
- using new technologies and methods of products manufacturing;
- improving and applying new progressive methods, tools and rules for manufacturing organization

and management [7].

Issues of equipment improvement and manufacturing organizations are closely connected to market needs; it means that products ought to be produced are defined. These issues are solved by engineers, marketing specialists, economists, technologists taking part in product policy realization. Directions for production technical development, market segment where the given enterprise is going to operate are defined on the policy basis, and marketing program is developed.

Attractive ideas turn into product concepts which are studied. It is necessary to clearly differentiate between the idea, concept and product image. Product image is a general apprehension of a product that a company can offer to market. Product concept is a concretized variant of idea, defined in a form that is significant for a consumer. Product image is a perception created by a consumer of a really existing or potential product.

Any idea may be turned into a few product concepts. Firstly, who will use the product? Secondly, what are the principal advantages the product will have? Taste, nutritional value, energy boost? Thirdly, when consumers are supposed to use the product? For breakfast, at lunchtime, after lunch, at dinner? Answering these questions the company may create a few product concepts.

One of the products perspective ideas that may get its market share is meat product stuffed with mushrooms. Taking into account that it is difficult to carry out a product positioning with a minimum risk at a very competitive food market, we suggest two possible concepts of this product presentation: ham stuffed with field mushrooms, flavored with "porcini mushrooms" additive for positioning in the ham segment, and one stuffed with real porcini mushrooms for positioning in the "specialty product" segment.

In order to create market strategy it is necessary to know position of the product under development at the market defining its competitive status referring other producers. To solve the given problem we suggest using the method of marketing objects complex estimation. According to the method, the following should be done: define the set of single-type objects that need complex estimation, choose local characteristics common for all the objects with the help of which it is possible to precisely estimate the objects avoiding direct or indirect duplicating the characteristics and define their numerical value.

We suggest investigating the two possible variants of “Ham with porcini mushrooms” competitive position as ordinary ham at 127 UAH per kilogram market price, and as a specialty product at 222 UAH per kilogram.

Initial data for estimation the enterprise position comparatively to the competitors are given in the Table 1.

Table 1

“Ham with porcini mushrooms” competitive estimation comparatively to analogue products:

Meat food producers	Indices		
	Average price per kg	Gustatory qualities, points	Dealership network through which the given product group is realized, number
LLC “Kremenchyk meat”	98-0	4	32
“Favoryt plus” Meat processing factory	109-0	3	45
LLC “”Saltivka Meat Processing Factory’	122-0	4	27
LTD “Meat Processing Factory “Yatran”	123-0	3,5	30
“Nikopol foodstuff company”	105-0	3	22
“APC- Invest” LLC	111-0	4	16
LLC “Hlobyno Meat Processing Factory”	127-0	3,5	16

$|X_{ij}|$

	1	2	3
1	98	4	32
2	109	3	45
3	122	4	27
4	123	3,5	30
5	105	3	22
6	111	4	16
7	127	3,5	16

In the given matrix the characteristics numeric values have various units of measurement, therefore mathematical actions with them are impossible. We suggest transforming the initial matrix elements by one of the following methods:

– if the best characteristic value is a minimal one, the following formula is used:

$$X_{IJ} = \frac{X_{IJ(\min)}}{X_{IJ}}, \tag{1}$$

where X_{IJ} is a characteristics natural value;

$X_{IJ(\min)}$ is a minimal characteristics natural value.

– if the best characteristic value is a maximum one, the following formula is used:

$$X_{IJ} = \frac{X_{IJ}}{X_{IJ(\max)}}, \tag{2}$$

where $X_{IJ(\max)}$ is a minimal characteristics natural value.

According to results of calculations we obtain the matrix of adjusted values.

$$|X_{ij}| \Rightarrow |P_{ij}|$$

	1	2	3
1	1	1	0,71
2	0,90	0,75	1
3	0,80	1	0,60
4	0,80	0,88	0,67
5	0,93	0,75	0,49
6	0,88	1	0,36
7	0,77	0,88	0,36
	1	2	3
1	0,16	0,16	0,17
2	0,15	0,12	0,24
3	0,13	0,16	0,14
4	0,13	0,14	0,16
5	0,15	0,12	0,12
6	0,14	0,16	0,09
7	0,13	0,14	0,09
$\sum_{ni=1}$	6,08	6,26	4,19

Objective characteristics value: $d_j=1-E_j$;

$$d_j = d_j \setminus \sum_{j=1}^m d_j;$$

$$E = -1 \setminus \ln N \sum_{i=1}^n (P_{ij} * \ln P_{ij});$$

	1	2	3
E_j	0,99 4	0,996	0,976
d_j	0,00 6	0,004	0,024
d_j	0,18	0,12	0,7

Subjective value can be defined by using the paired comparison matrix:

	1	2	3	$\sum_{j=1}^m$	q_j	d_j	k_j	k_j
1		2	3	5	0,42	0,18	0,13	0,36
2	2		3	5	0,42	0,12	0,09	0,25
3	1	1		2	0,17	0,7	0,14	0,39

$$q_j = \sum_{j=1}^m \setminus \sum_{i=1}^m \sum_{j=1}^m;$$

$$k_j = d_j * q_j \setminus d_j * q_j;$$

$$k_j = k_j \setminus \sum k_j;$$

Complex integral estimation:

$$Q_1=0,36+0,25+0,71*0,39=0,89;$$

$$Q_2=0,9*0,36+0,75*0,25+0,39=0,90;$$

$$Q_3=0,8*0,36+0,25+0,6*0,39=0,77;$$

$$Q_4=0,8*0,36+0,88*0,25+0,67*0,39;$$

$$Q_5=0,93*0,36+0,75*0,25+0,49*0,39=0,71;$$

$$Q_6=0,88*0,36+0,25+0,36*0,39=0,71;$$

$$Q_7=0,77*0,36+0,88*0,25+0,36*0,39=0,64.$$

According to the analysis and calculations, “Ham with porcini mushrooms” has average competitive positions; if to position this product in the ham segment the consumers may consider it to be too expensive.

We suggest analyzing the product supply in the meat specialty products segment (Table 2.)

Table 2.

“Ham with porcini mushrooms” new product competitive estimation comparatively to “meat specialties” product group of other producers:

Meat food producers	Indices		
	Average price per kg	Gustatory qualities, points	Dealership network through which the given product group is realized, number
LLC “Hlobyno Meat Processing Factory”	222,0	4	38
“Favoryt plus” Meat processing factory	234,0	3,5	47
LLC “Kremenchyk meat”	256,0	4	30
LLC “”Saltivka Meat Processing Factory’	254,0	4	54
LTD “Meat Processing Factory “Yatran”	216,0	3	23
“Nikopol foodstuff company”	278,0	4,5	19
“APC- Invest” LLC	181,0	3	26

$|X_{ij}|$

	1	2	3
1	222	4	38
2	234	3,5	47
3	256	4	30
4	254	4	54
5	216	3	23
6	278	4,5	19
7	181	3	26

$|X_{ij}| |X_{ij}| \Rightarrow |P_{ij}|$

	1	2	3
1	0,82	0,89	0,7
2	0,77	0,77	0,87
3	0,71	0,89	0,56
4	0,71	0,89	1
5	0,84	0,67	0,43
6	0,65	1	0,35
7	1	0,67	0,48
Σ	5,5	5,78	4,39

	1	2	3
1	0,15	0,15	0,16
2	0,14	0,13	0,20
3	0,13	0,15	0,13
4	0,13	0,15	0,23
5	0,15	0,12	0,10
6	0,12	0,17	0,08
7	0,18	0,12	0,11
E _j	0,996	0,991	0,973
d _j	0,004	0,009	0,027
d _j ⁻	0,1	0,23	0,68

$$\sum d_j = 0,040$$

	1	2	3	Σ ^m _{j=1}	q _j ⁻	d _j ⁻	k _j	k _j ⁻
1		2	3	5	0,42	0,10	0,08	0,22
2	2		3	5	0,42	0,23	0,15	0,41
3	1	1		2	0,17	0,68	0,14	0,39

$$Q_1 = 0,82 * 0,22 + 0,83 * 0,41 + 0,7 * 0,38 = 0,81;$$

$$Q_2 = 0,77 * 0,22 + 0,77 * 0,41 + 0,87 * 0,39 = 0,83;$$

$$Q_3 = 0,71 * 0,22 + 0,89 * 0,41 + 0,56 * 0,39 = 0,74;$$

$$Q_4 = 0,71 * 0,22 + 0,89 * 0,41 + 0,39 = 0,91;$$

$$Q_5 = 0,84 * 0,22 + 0,67 * 0,41 + 0,43 * 0,39 = 0,62;$$

$$Q_6 = 0,65 * 0,22 + 0,41 + 0,35 * 0,39 = 0,69;$$

$$Q_7 = 0,22 + 0,67 * 0,41 + 0,48 * 0,38 = 0,68;$$

As the calculation testifies, “Hlobyno meat processing Factory” LTD can take one of the leading positions at meat specialty market with Their “Ham with porcini mushrooms” product. Therefore, the marketing program should be aimed not only at improvement of production and products quality, but at more effective launching and distribution.

Conclusion. With the basis of the example presented we can make a following conclusion: while creating a new product it is necessary to analyze a few variants of its positioning at different market segments. Thus, analysis of meat food products regional market revealed the purposefulness of product

diversification at “Hlobyno Meat Processing factory” LTD with “Ham with porcini mushrooms” perspective product which can have its market share. Two possible ways of presenting the product were given: ham stuffed with field mushrooms flavored with "porcini mushrooms" additive for positioning in the ham segment, and one stuffed with real porcini mushrooms for positioning in the "specialty product" segment. Complex integral estimation of the two product variants competitiveness indicated advantages of ham with porcini mushrooms positioning in the meat specialty segment.

REFERENCES:

1. Baza marketynhovoї informatsii. Analiz rynku miasoproduktiv v Ukraini. [The basis of marketing information. Market analysis of meatproducts in Ukraine]: www.marketing.net.ua
2. Dainovskyi Yu.A.(2008), Tovarna innovaciina polityka: pidruch. dlia stud. [Product innovation policy] Novyi svit, Lviv, Ukraine.
3. Honcharova N.P. (2008), Marketynh innovatsiinoho protsesu: navch. pos. [Marketing innovation process], Vira-R, , Kyiv, Ukraine.
4. Harald J. Van Heerde, Carl F. Mela, Puneet Manchanda (2004) The Dynamic Effect of Innovation on Market Structure. Journal of Marketing Research: May 2004, Vol. 41, No. 2, pp. 166-183. <https://doi.org/10.1509/jmkr.41.2.166.28669>
5. Jaider Vega-Jurado, David Juliao-Esparragoza, Carlos D. Paternina-Arboleda, Milena C. Velez , (2015) "Integrating Technology, Management and Marketing Innovation through Open Innovation Models", Journal of Technology Management & Innovation vol.10 no.4 Santiago dic. 2015, <http://dx.doi.org/10.4067/S0718-27242015000400009>
6. Monitorynh rynku kovbasnykh vyrobiv Ukrainy ta bezpechnoi produktsii. [Monitoring of Ukrainian sausage products and safe products]: <https://elibrary.ua>
7. Ofitsiynyi sait TOV «Hlobynskyyi miasokombinat» [official site by LLC «Hlobynskyyi miasokombinat»]: <http://ua.globino.ua/mjasokombinat>
8. Suraksha Gupta, Naresh Malhotra, (2013) "Marketing innovation: a resourcebased view of international and local firms", Marketing Intelligence & Planning, Vol. 31 Issue: 2, pp.111-126, <https://doi.org/10.1108/02634501311312026>
9. Thomas S. Robertson. (2017) Business model innovation: a marketing ecosystem view. AMS Review 7:3-4, 90-100. Online publication date: 12-Oct-2017.
10. Vyrobyntstvo kovbasnykh vyrobiv v Ukraini. [Manufacture of sausage wares in Ukraine]: <http://www.nibulon.com>

УДК 69.003:658.8

Кузняк Богдан Ярославович, доктор економічних наук, професор.
Добрянська Вікторія Вікторівна, кандидат економічних наук, доцент.
Титаренко Любов Михайлівна, кандидат економічних наук, доцент. Полтавський національний технічний університет імені Юрія Кондратюка. **Маркетингова товарна інноваційна політика на ринку м'ясопродуктів.** Визначено напрям адаптації підприємств м'ясопереробної промисловості до ринкового середовища як формування і реалізація раціональної товарної інноваційної політики. Досліджено маркетинг інновацій підприємства, практичне застосування теоретичних знань. Запропоновано на основі аналізу регіонального ринку м'ясопродуктів розширити асортимент ТОВ «Глобинський м'ясокомбінат» перспективним товаром, що може зайняти свою частку ринку, – «Шинка з білими грибами». Розглянуто дві можливих концепції цього товару. Здійснено комплексне інтегральне оцінювання конкурентоспроможності двох варіантів товару, що показало переваги їх позиціонування у сегменті «м'ясні делікатеси». Доведено необхідність розроблення й аналізу декількох концепцій товару та його позиціонування у різних сегментах ринку.

Ключові слова: маркетинг інновацій, м'ясопереробне підприємство, товарна політика, концепція товару.

UDC 69.003:658.8

B. Kusniak, DSc. in Economics. **V. Dobrianska**, PhD in Economics. **L. Tytarenko**, PhD in Economics. Poltava National Technical Yuri Kondratyuk University. **Marketing Innovative Policy at Meat Food Market.** The direction of meat processing enterprises adaptation to market environment as formation and realization of rational commodity innovation policy is defined. The enterprises innovative marketing as well as practical application of theoretical knowledge is investigated. On the basis of regional meat products market it is suggested to expand the product range at “Hlobyno Meat processing factory” LTD with “Ham with porcini mushrooms” perspective products which can obtain its market share. Two possible concepts of the product are studied. Complex integral estimation of two products variants are carried out, specifying their advantages in “meat specialty products” segment positioning. The necessity of developing and analyzing a few product concepts and its positioning at different market segments was proved.

Keywords: marketing innovation, meat processing enterprise, product policy, product concept.

УДК 69.003:658.8

Кузник Богдан Ярославович, доктор экономических наук, профессор. **Добрянская Виктория Викторовна**, кандидат экономических наук, доцент. **Титаренко Любовь Михайловна**, кандидат экономических наук, доцент. Полтавский национальный технический университет имени Юрия Кондратюка. **Маркетинговая товарная инновационная политика на рынке мясопродуктов.** Определено направление адаптации предприятий мясоперерабатывающей промышленности к рыночной среде как формирование и реализация рациональной товарной инновационной политики. Исследовано маркетинг инноваций предприятий. Предложено на основании анализа регионального рынка мясопродуктов расширить ассортимент ООО «Глобинский мясокомбинат» перспективным товаром, которым можно занять свою нишу рынка, – «Ветчина с белыми грибами». Рассмотрены две возможных концепции данного товара. Произведенная комплексная интегральная оценка конкурентоспособности двух вариантов товара показала преимущество их позиционирование в сегменте «мясные деликатесы». Доказана необходимость разработки и анализа нескольких концепций товара и его позиционирование в разных сегментах рынка.

Ключевые слова: маркетинг инноваций, мясоперерабатывающее предприятие, товарная политика, концепция товара.