

**LOGISTICS AND MARKETING SUPPORT OF INNOVATIVE DEVELOPMENT OF
THE ENTERPRISE**

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Abstract. *The review of the main functions of marketing, logistics, and also their general functions is carried out in the article. For the analysis of interaction of marketing and logistics the concept of marketing and logistic «mix» is studied. Interaction of marketing and logistics of each its element is analyzed.*

The definition of marketing and logistic system is also offered in the article, the mechanism of calculation of its formation costs is considered. The general costs for formation of marketing and logistic system of the enterprise should include the detailed structure of the current expenses and possible capital expenditures which are necessary for implementation of technological process of marketing and logistics in relation to a concrete situation and a condition of the marketing environment. The general marketing expenses consist of the expenses necessary for the organization and carrying out marketing actions of commodity, communicative, price and marketing mixes. Logistic expenses include a complex of costs for organization and service of all components of «a logistic mix»: purchasing, transport, warehouse, production, distributive and information logistics. Efficiency of marketing and logistic system depends on the size of the effect gained thanks to reaching the main goal of marketing and logistic system and on the size of the general costs for creation and operation of this system.

Keywords: *marketing system, logistic system, marketing and logistic system, marketing expenses, logistic expenses, machine-building enterprises.*

A characteristic feature of the modern business environment is a high level of competition and reduced the product life cycle. In these conditions, one of the real ways to achieve success in the Ukrainian market is the orientation of machine-building enterprises on an innovative way of development. Logistics as a system-oriented concept provides an opportunity of realization the innovative potential of the enterprise in the optimal way and to coordinate the counter-objectives that may arise in the activities of the enterprise. Marketing as a market-oriented concept allows to increase the flexibility and adaptability of innovative activities of the enterprise to changes in the environment. In order to effectively manage the business portfolio of a machine-building enterprise and, in particular, the successful introduction of innovative products to the market, it is necessary to compare market opportunities with the internal potential and resources of the enterprise [8].

Among the current national developments on the problems of innovative development of enterprises on the basis of marketing and logistics support should be noted researches by Bespaliuk H.M, Illiashenko S.M., Kovalchuk S.V., Krykavskii E.V., Oklander M.A., Olefirenko O.M., Parkhaieva N.V., Pererva P.H., Chornopyska N.V., Chukhrayi N.I., and others.

The analysis of researches of the noted authors allows to state that at current moment the theoretical and the methodical base of management of innovative activity on the basis of marketing and logistical maintenance of innovative development of the enterprise is not deeply enough developed [1-9].

Analysis of the practical activities of the national machine-building enterprises allowed us to conclude that there is an objective increase in the problem of managing the effectiveness of marketing and logistics activities at all stages. The implementation of logistics and marketing processes and functions in the management of innovative activities of the machine-building enterprise is the key to its success. The integration of marketing and logistics systems with the system of innovation is the basis of an integrated concept of innovative development of the machine-building enterprise.

At the enterprise level, the search and selection of promising market opportunities for innovative development is based on the concepts of innovation marketing, which can be defined as activities aimed at finding new areas and ways to use the potential of the enterprise [4]. That is, innovation marketing must be seen as an integrated tool. It is aimed at realizing the potential and achieving the effectiveness of innovation, focused on external and internal needs, creating a high degree of accessibility of innovation for consumers [7].

We understand the logistics activities as a connection with the marketing activities related to the identification, analysis and implementation of innovative projects for the development of existing and promising market opportunities of the enterprise. As a result, the company should

improve its production, warehousing and transport infrastructure, logistics system, optimize the structure of the distribution network and the system of movement of goods, adapting it to changes in the business portfolio of the company.

It should be noted that innovative development must be carried out in accordance with the principle of parallel development of marketing and logistics strategy: their development should be carried out in parallel and in a coordinated manner, so that each of the marketing strategies is provided with appropriate logistics resources.

Within our study of machine-building enterprises in Vinnytsia, it was found that the fragmentation of logistics and marketing during the promotion of manufactured goods to the consumer creates many current problems because each unit has its own goals, which are objectively determined by functional specifics and priorities: is looking for reliable suppliers; production requires uninterrupted operation; the warehousing department is trying to reduce stocks; the sales department is interested in responding quickly to demand; the transport department strives for full loading of vehicles; marketing and advertising service directs its efforts to increase customer loyalty, etc. All tasks and goals in themselves, of course, are important for the effective functioning of each unit separately, but for objective reasons, they usually conflict with each other.

The study of machine-building enterprises in the FMCG segment allowed us to identify the main internal problems in the process of forming a marketing and logistics organizational structure: conflict of goals and insufficient coordination of logistics and marketing departments; variety of types of marketing functions and logistics operations; excess stocks in the logistics system and overspending in the marketing system; geographical boundaries of different divisions of the enterprise; lack of integrated information communication between marketing and logistics departments at different levels of government; the lack of a common system of control over logistics and marketing costs and, as a consequence, the inability to manage them; reducing the overall efficiency of the distribution system [5-6].

The interaction of marketing as a market-oriented management concept and logistics as a flow-oriented management concept creates opportunities to improve the efficiency of economic activity of both the enterprise as a whole and its individual divisions [1]. In this case, logistics acts as a marketing tool for the sale and promotion of goods and services, and marketing, in turn, is an instrument for the implementation of logistics strategy and tactics. The task of paramount importance is to make not only the consumer, but also the buyer an integral part of the company's strategy. The purpose of the integrated marketing and logistics approach is the interaction of the market and the enterprise striving to satisfy the requirements of the consumer [9].

This integrated approach can be implemented when creating an enterprise strategy through the interaction of logistics and marketing functions. The general functions of marketing and logistics are presented in the table.

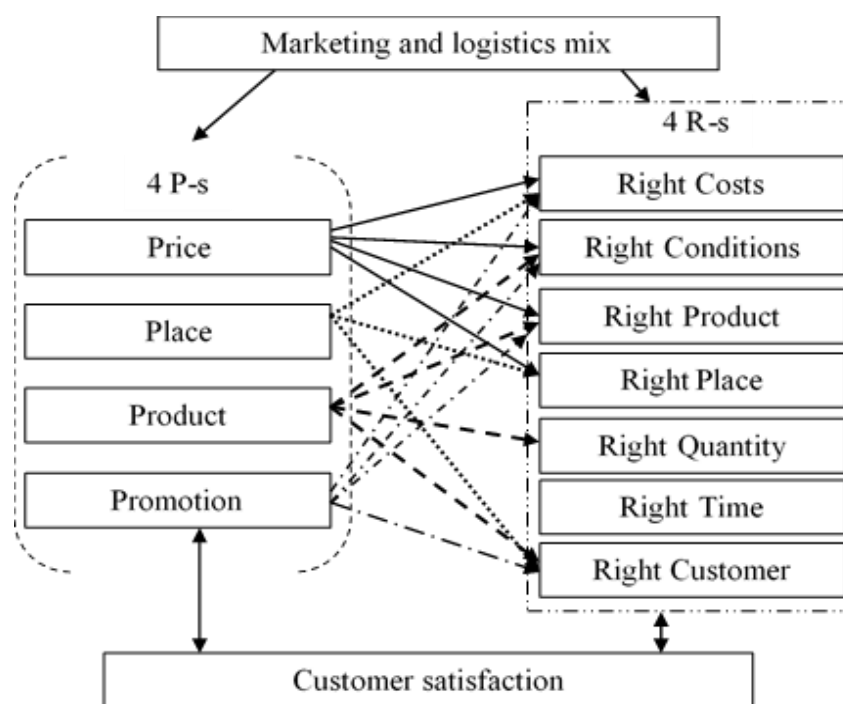
Table 1. The main functions of logistics and marketing of the enterprise

Marketing Functions	Logistics Functions	General Functions of Marketing and Logistics
Market research Study of effective demand Consumer forecast Development of recommendations for production and sales departments Information and intermediary services	Determination of the need for material resources Calculation of funds for the purchase of material resources Choosing a business relationship with suppliers Determination of distribution channels Selection of different modes of transport and their optimal combinations	Market research Pricing Management of aggregate (production, sales, commodity, transport) inventories and WIP Conducting business negotiations and concluding transactions (contracts,

Development of recommendations for the production of new goods and services Advertising Strategic marketing using imitation regulation methods	Determination of delivery and payment terms Price selection ex Determination of optimal batch sizes and delivery intervals Choice of containers and packaging Minimization and optimization of production and commodity stocks Determination of methods and modes of storage and storage Management of the movement of external (commodity) and internal (material) flows of means of production	agreements, contracts) Provision of additional (service) services in the process of product delivery Implementation of optimal options for the production and supply of products in accordance with the needs and requirements of consumers
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To analyze the interaction of marketing and logistics in the economic literature, the concept of marketing and logistics "mix" is often used (Picture).

Logistics, in relation to the price factor, usually has a direct impact on the achievement of the corporate or financial strategic objectives by marketing. Pricing decisions require careful analysis of factors related to competitive products, socio-economic, demographic and other characteristics of consumers in a particular market segment.



Picture 1. Interaction of Marketing and Logistics

This situation often develops under the influence of seasonal fluctuations in demand, which necessitate the adoption of additional logistics decisions on inventory management (for example, the creation of special seasonal stocks).

Another important characteristic of the sphere of mutual intersection of marketing and logistics interests is product characteristics and, first of all, the range of products determined by the marketing strategy of the enterprise. The assortment characteristics of finished products directly affect the structure of supply chains and channels in the distribution system, as well as the level of stocks, types of vehicles, transportation methods, etc. The emergence of new

assortment items, even of one product, but in another (in terms of overall dimensions) packaging can completely change the structure of the logistics channel or the mode of transportation and therefore must be agreed with the logistics management.

The desire of designers in the engineering company for original packaging, often dictated by marketing requirements, can cause unplanned increases in logistics costs. Logistics management sometimes defines product packaging as a “silent seller,” since at the retailer level, packaging can be a decisive factor affecting sales. From the standpoint of marketing, the appearance of the package, its attractiveness, the availability of complete information about the product, that is, those parameters that can distinguish it from similar interchangeable products of competitors are important. For logistics, packaging is important in terms of its overall dimensions and the ability to protect goods from possible damage during transportation and handling. In particular, consumer (commercial) packaging should be suitable for placing it in industrial or external transport packaging, preferably with full volume use.

A marketing pull strategy of a product through a distribution channel is usually associated with a large-scale advertising campaign in the media, which is carried out by the manufacturing enterprise.

The basis of the push strategy is the cooperation of the finished goods manufacturer with wholesale and retail resellers, when the goods are “pushed” from production to the distribution channels of intermediaries almost independently of stimulating demand. Advertising costs are borne by intermediaries alone or together with the manufacturer of the finished product. Often, a manufacturer is forced to stimulate the promotion and sale of goods by setting special discounts or creating additional stock at retailers. The emphasis in this approach is placed on the regulation of finished goods stocks in distribution channels of wholesale and retail trading partners [2].

From the standpoint of logistics, the considered approaches are fundamentally different, since they focus on different logistics functions: transportation, on the one hand, warehousing and inventory management, on the other. More often, a logistics manager prefers a push strategy with its greater focus on saturating the logistics channel and preparing sales. A pull strategy to meet demand immediately poses more challenges for logistics management. Therefore, constant coordination of strategic logistics and marketing plans in distribution is necessary.

The interaction of logistics and marketing according to the “location” parameter usually presents the problem of choosing points of sale for the bulk of the finished product. From a marketing standpoint, this translates into a choice problem: either sell to wholesalers, or directly to retailers. At the same time, decisions on the choice of “place” always precede decisions on the choice of the structure of distribution channels. From a logistics point of view, such decisions can significantly affect the efficiency of the logistics system.

The relationship between marketing and logistics is extensive and diverse, since these two realities are closely linked to each other by a single algorithm for managing business processes. However, the lack of coordination of the functions of logistics, procurement and marketing can lead to a significant overstocking or even illiquid assets, and to a shortage in the company, that is, in any case, to significant costs.

The marketing and logistics system is an integrated system that is associated with the study and optimization of all types of flows accompanying the physical movement of goods through the selected channel, the path from the manufacturer to the end consumer in order to fully, timely and qualitatively meet the effective demand, subject to minimizing costs in the distribution logistics chains and distribution of goods.

The total costs of forming the marketing and logistics system of an enterprise should include a detailed structure of current costs and possible capital costs that are necessary to implement the technological process of marketing and logistics in relation to a specific situation and the state of the marketing environment.

General marketing costs consist of the costs required to organize and conduct marketing activities for product, communication, price and sales mixes.

Logistics costs include a set of costs for organizing and maintaining all components of the "logistics mix": purchasing, transport, warehouse, manufacturing, distribution and information logistics. Mainly, the task of managing logistics in practice boils down to managing several components: warehouse facilities, inventory, transportation, communication, picking and packaging.

The effectiveness of the marketing and logistics system depends on the magnitude of the effect obtained due to the achievement of the main goal of the marketing and logistics system, and on the value of the total costs of creating and operating this system.

Thus, having considered the interaction of marketing and logistics by the elements of the 4P and 7R complexes, it can be noted that the total costs of the formation of the marketing and logistics system of the enterprise should include a detailed structure of costs that are necessary for the implementation of the technological process of marketing and logistics in relation to a specific situation and the state of the marketing Wednesday. General marketing costs consist of the costs required to organize and conduct marketing activities for product, communication, price and sales mix. Logistics costs include a set of costs for the organization and maintenance of all components of the "logistics mix". The effectiveness of the marketing and logistics system depends on the magnitude of the effect obtained due to the achievement of the main goal of the marketing and logistics system, and on the value of the total costs of creating and operating this system.

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