INTRODUCTION AND ORGANIZATION OF MARKETING CONTROLLING IN THE TRADING COMPANIES OF UKRAINE

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Business environment of the companies at the present stage of Ukrainian economy development is characterized by its instability, the marketing ideas and concepts become obsolete. It is the marketing controlling, which is to help the director of trading company to focus on the customers’ needs; to ensure the development and implementation of the coordinated marketing efforts aimed at achieving the objectives of the company; to timely adjust the marketing strategies, while providing significant cost savings by reducing distribution costs and increasing goods turnover.

The introduction of the marketing controlling shall guarantee the company’s increasing competitiveness.

To introduce the marketing controlling, first of all, it is necessary to develop the marketing controlling concept for the company. It is important to formalize the controlling concept of the company, which will help to avoid conflict situations and contribute to better coordination of the company’s personnel activities.

As evidenced by the world practice, the introduction of controlling into the companies’ practices may take more than six years; therefore every company needs to address the issue of sequencing the procedures of this process.

First and foremost, it is necessary to analyze the feasibility and efficiency of existing company’s management structure, to define the functions inherent in controlling, which has already been implemented by the company, and then to resolve on the delegation and redistribution of functions and powers to the controlling department or to a particular specialist who will act as a controller in the existing department. The company should decide who will deal with controlling (a new employee or a specialist that is familiar with the company’s activities) and what his/her qualification should be, as well as consider the possibility of personnel retraining or enhanced training.

The main purpose of the marketing controlling is to support managerial decisions in the field of marketing activities and to provide the techniques whose use is intended to enhance the effectiveness of managerial decisions and marketing activities in general.

The marketing controlling objectives are as follows: creation of the marketing managerial decision information support system and constant research to improve it; evaluation of the marketing elements usage effectiveness; providing the marketing controlling tools to improve the company’s marketing activities management; introduction of the marketing controlling organization and monitoring sub-systems, designed to ensure the marketing controlling efficiency, and maximum use of the company’s marketing potential.

The marketing controlling principles, except for those that are inherent in the controlling system (progression and deceleration, timeliness, strategic awareness, documenting) should include the principles of self-assessment and self-regulation, risk protection of the activities and competence.

Regarding the role of the marketing controlling in the system of the marketing management of the company it should be noted that, in addition to the information support, marketing controlling is to coordinate the management of the company’s marketing efforts.

Depending on the goal orientation two types of the marketing controlling are distinguished: strategic and tactical.

The strategic marketing controlling is focused not only on the result, but on the techniques of the marketing controlling implementation.

The tactical marketing controlling is, primarily, targeted at achieving specific results and solving problems concerning the implementation of the basic marketing controlling functions, i.e. information support for managerial decisions in the marketing sphere and their coordination.

Thus, it may be noted that the objectives of the strategic marketing controlling are as follows: developing the marketing controlling concept for the company, developing the program and
techniques of the marketing controlling introduction in the company’s activity; developing measures to ensure the marketing controlling system efficiency, supporting the strategic management of the company’s marketing activities using the marketing controlling tools; providing crisis management support, the company’s marketing potential support, defining and developing the measures to eliminate bottlenecks in the company’s marketing efforts.

The tactical marketing controlling objectives include the following: effective using the tactical marketing controlling tools and methodological approaches (to provide operational information for managerial decision-making in the sphere of marketing); ensuring the profitability of the company’s marketing efforts (by identifying the reserves for using both the overall marketing potential of the company, and, in particular, the economic marketing potential); ensuring the effective implementation of the marketing controlling key functions, ensuring marketing diagnostics system efficiency and immediate response, improving the efficiency of budgeting for marketing and so on.

The main functions of the company’s marketing controlling include: planning, information and analytical support, control and analytical function, forecasting, consulting, and regulatory functions. It should be noted that the nature of the marketing controlling functions is similar to the controlling functions, the difference is in their marketing orientation.

Key problems of introducing the marketing controlling in the trade companies are as follows: lack of a unified conceptual approach to the marketing controlling introduction; lack of necessary resources for the establishment of the marketing controlling system, insufficient marketing orientation of the companies, imperfect control of the company’s marketing efforts, availability of socio-psychological factors of opposition to introduction of the marketing controlling.

The marketing controlling shall be introduced in the Ukrainian companies’ activities by means of “programmed introduction”, which provides for the staged change in the old management structure using project-controlling. This approach allows reducing the group and individual resistance to the controlling introduction. At the first stage at the management level the decision is made and the concept of a controlling system and the marketing controlling subsystem is formed, based on which a strategy and tactics of the controlling introduction is developed, the company’s controlling organizational structure is defined. The strategic plan or project of the controlling introduction is specified in the tactical plans that include relevant objectives and actions to achieve them with the definition of deadlines, tools and persons in charge for a certain stage of the controlling introduction.

The results of the controlling introduction should be discussed by the company’s management after each stage. When identifying deviations from the plans, the management should adjust the controlling introduction activities and review systematically the controlling concept in order to improve it.

Each company needs its own approach to the process of the marketing controlling department organizational structure formation, as there is no single unified marketing controlling department, which would be appropriate for any company, as well as there is no single unified model of the company’s management organizational structure. This is due to many factors, such as: the financial capacities of the company, human resources, corporate culture, the main directions of the company’s marketing activities, scope of its activities, etc.

The issue of the marketing controlling organization in the company, in our opinion, cannot be solved without integrated introduction of the controlling system, covering all spheres of the company’s business, therefore this issue requires a review of the company’s management organization in general.

For the controlling organization, in our view, functional organizational structure is the most appropriate, in which each field or the direction of the company’s activity is assigned to its own services or departments. In this case, the major directions (spheres) of the company’s activities include marketing, finance, human resources and production (for the trade companies production is substituted with the trading activities). The controlling department (service) shall coordinate and integrate the activities of all functional departments in the company. This department, like all other structural subdivisions of the company, shall be subordinated to a single leader – the director of the company.

This model of the company’s management organization is appropriate for large-scale enterprises; the differences in the organization will be only in the number of personnel involved in each department (service).
In the large companies the controlling service may have a functional structure. In the medium and small enterprises one specialist may perform the functions of the controller.

We believe marketing controlling department activities to be effective complying with the following conditions: the organization of information flows to obtain the necessary information from the functional divisions of the company; defining the powers of the marketing controlling department in relation to other structural subdivisions of the company, application of modern technologies for data collecting and processing; subordination of the marketing controlling department directly to the director and independence on financial and economic departments of the company, ongoing improvement of marketing controlling department, availability of qualified personnel; motivation of the personnel to achieve common goals of the company; outreach regarding the nature and objectives of the controlling department, etc.

The proposed approach to the introduction and organization of the marketing controlling in the company will facilitate more rapid and effective introduction of the marketing controlling and improvement of the trading company’s performance, as a whole.