MODERN ASPECTS OF ORGANIZATION OF ENTERPRISES’ GOODS DISTRIBUTION SYSTEMS

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Urgency of the research. The use of marketing technologies in the formation of goods distribution channels is a topical issue in the context of organizing a rational system of commodity circulation and establishing a long-term cooperation which involves all its members.

Target setting. Traditional distribution channels are not sufficiently effective in modern conditions of management, therefore, at the expense of labor division and successful cooperation, it is necessary to achieve the most effective performance of functions by the participants of the distribution channel.

Actual scientific researches and issues analysis. The study of the marketing distribution system has been carried out in the works of such scholars as O. A. Bilovodska, V. A. Hertsyk, A. F. Pavlenko.

Uninvestigated parts of general matters defining. The influence of relationships marketing concept on the activity of forming goods distribution systems requires additional study.

The research objective. The purpose of the article is to study the influence of goods distribution system on ensuring the effective functioning of business entities and improving marketing relationships of all members of the distribution channel.

The statement of basic material. The influence of marketing distribution systems on the competitiveness of an individual enterprise is being investigated; the need for their effective formation and functioning is being substantiated. The implementation of relationships marketing concept has been proposed, which will help to establish a long-term cooperation of all subjects of the distribution system and will be the basis for the formation of production and distribution systems in market conditions.

Conclusions. The necessity of establishing a long-term cooperation of all participants of the distribution system on the basis of implementation of relationships marketing concept, that meets the existing requirements of the market, has been substantiated.

Keywords: marketing distribution policy; relationships marketing; organization of commodity circulation; goods distribution system; goods distribution channels.

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Urgency of the research. The organization of commodity circulation is an important function of goods distribution channels, but in our country it is currently not being implemented quite efficiently. Rational use of existing potential in the process of organizing commodity circulation would allow to pause the prices growth rate for goods. Over the past years, the domestic market has been represented by distribution systems in which each participant has acted, focusing solely on achieving his own goals, without taking into account the needs of other channel participants. However, the study shows that the greater result is achieved not by means of competition, but by means of cooperation. It should be noted that the use of marketing technologies for mutually beneficial cooperation enables to get not only the necessary result - an agreement, but also a number of important in terms of the effectiveness of sales results, namely: successful cooperation of the seller and the buyer, which will provide the basis for further cooperation; the possibility of obtaining marketing information about the buyer, which will not only increase the efficiency of sales of goods in current period, but also improve marketing efforts for the future. Therefore, the formation of commodity circulation, based on the partnership relationships of all participants in the distribution channels will enable the achievement of results that are necessary for increasing the volumes of sales.

Target setting. Traditional goods distribution channels are not quite effective in modern economic conditions. Each member of goods distribution channel does not depend on other participants and specializes in the performance of one or more functions, resulting in not achieving the maximum efficiency of the channel. Ideally, participants of goods distribution channel must work together in order to increase sales and maximize profits, since the success of each participant depends on the efficient operation of the entire distribution channel. Participants are required to perform their functions, coordinate their goals and actions, and co-operate with other participants in order to achieve the goals of the entire distribution channel. The problem is that the performance of functions can be assigned to different participants of the distribution channel. By means of the division of labor and successful cooperation, it is necessary to achieve the most efficient performance of functions by distribution channel participants.

Actual scientific researches and issues analysis. The study of marketing goods distribution system has been carried out in the works of such scholars as O. A. Bilovodska [7], V. A. Hertsyk [5], A. F. Pavlenko, Y. E. Petrunya [9], T. N. Koflan, E. V. Krykavsky [6], L. V. Shtern [10], E. V. Harichkova. Their studies define the main approaches to understanding the essence and significance of goods distribution system for the effective and uninterrupted operation of enterprises; they also form proposals for solving problems that arise during the formation and implementation of this system.

Uninvestigated parts of general matters defining. At present, competition in the market is increasing, and the expenses of attracting new consumers are constantly rising. In addition, consumers themselves are becoming increasingly independent and discerning. Therefore, the influence of relationships marketing concept on the activity of forming distribution systems in modern conditions of management requires additional study, and the potential of this concept should be strengthened in order to ensure long-term relationship with the client, achieving the goals of the parties involved in the transaction.

The research objective. The complexities of the formation of goods distribution channels are conditioned by the peculiarities of commodities, namely: significant terms of their development and implementation; financial expenses for the development of its production; a complex and lengthy procedure for harmonizing the terms of delivery and signing contracts. Therefore, with the aim of long-term cooperation, the formation of distribution channels requires the effective functioning of business entities and the improvement of marketing relationships of all participants of the distribution channel.

The statement of basic material. In modern conditions enterprises are redirecting their efforts to gain additional competitive advantage and minimize overall expenses while achieving maximum economic benefits during the promotion of commodities to the end-user.

Distribution channels are not just a set of enterprises that create different flows of goods, services and information, but complex behavioral systems in which consumers and enterprises interact with each other in order to achieve their own goals, operational goals of individual economic entities and distribution channels in general [7]. Goods distribution channels of enterprises are characterized by a
constant change, which means inclusion or exclusion of traditional intermediaries from the system, which leads to the emergence of new intermediaries or the formation of additional distribution channels. It should be noted that the change in the structure of goods distribution systems, on the one hand, reflects the objective desire of business entities to find the best conditions and results of functioning, on the other hand – it is a factor in the growth of total expenses for delivering goods from the manufacturer to the consumer.

One of the most important issues in the formation and management of goods distribution channel is the question of organizing the cooperation of its participants. The main objective of organizing effective cooperation of distribution channel participants is to increase the degree of controllability of the processes occurring in it. This can be achieved by regulating the rights and obligations of the distribution system participants. The main reason for the emergence of intermediaries and intermediary structures in distribution channels is the need for exchanging goods and improving the efficiency of the distribution channel by monitoring the conformity of assortment and by rationalization of trading operations.

A significant component of the development of enterprises’ goods distribution policy is the definition of its strategy and tactics. In order to achieve the goals, taking into account the specifics of the enterprise, analytical methods are used, measures for the implementation of plans are developed, coordination, regulation, accounting and analysis of work concerning goods distribution are carried out. The enterprise provides the functioning of the policy of goods distribution along with the rationalization of its organizational structure, improves the economic mechanism of commercial activity, establishes information links and communications. Thus the successful implementation of goods distribution policy in many cases depends on the enterprise’s experience in sales activities and the availability of skilled personnel.

According to V. M. Vlasova [3] distribution systems are divided into two groups - simple and complex. In a simple system, the distribution chain consists of only the manufacturer and the consumer, and in the complex system there are also intermediate levels to which V. M. Vlasova assigns "independent intermediaries, wholesale and retail enterprises." As a kind of complex system, a scientist identifies a dual system of channels when a manufacturer uses two separate or interconnected distribution channels in one market.

Unlike the abovementioned scientist, F. Kotler [8] and S. S. Harkavenko [4] do not divide the distribution systems into simple and complex ones. The classification system of distribution developed by them consists of traditional, vertical, horizontal and combined systems, the comparative analysis of which is shown in Fig. 1.

The application of rational goods distribution policy ensures stable functioning of the enterprise and also allows him to hold leading positions in the market.

The problem of establishing a distribution system at the enterprise for the purpose of long-term cooperation of all its participants is becoming urgent.

Acting in the interests of consumers and emphasizing the goal of long-term cooperation of all participants of the distribution channel, it is necessary to take into account the following main guidelines during the process of its formation:
1) ensuring the effective functioning of the enterprise in the current and future periods;
2) maximum satisfaction of consumers’ solvent demand;
3) long-term market stability of the enterprise and the competitiveness of its products;
4) creating a positive image on the market and its public recognition.

The goods distribution system in marketing uses an analysis of the influence on the decision-making at each stage of commodity circulation from production to consumption.

Among the tasks of managing goods distribution policy one should mention the organization of company’s sales management as a basis for distribution processes managing. Sales management creates an organizational framework for achieving distribution objectives of the enterprise. At the same time, an important precondition for its effective functioning is a balance between the needs of the consumer, the expenses of the organization of distribution and the final cost of the goods.
Modern aspects of organization of enterprises’ goods distribution systems

**Characteristic:**
- one or more channels whose participants are relatively independent of each other;
- small size of the enterprise (number of employees, turnover);
- motivation of participants is short-term and tied to the volume of production and sales;
- the amount of funds necessary for implementation is determined by competition and return on investment.

**Advantages:**
- the possibility of converting fixed expenses into variables;
- reduction of investment needs;
- improving the quality and effectiveness of work of channel participants.

**Disadvantages:**
- lack of coordinated actions between participants;
- lack of powers and responsibilities of the participants in commodity circulation and conflict resolution;
- lack of control among the participants;
- significant expenses and risks associated with agreement signing.

**Horizontal**

**Characteristic:**
- one or more channels whose participants are relatively independent of the same level;
- works effectively if it has a global character;
- to achieve the task, one has the opportunity to choose which channel to use with greater profit for oneself.

**Advantages:**
- combination of capital, production capacity and marketing resources, in order to improve the indicators of production and economic activity;
- regulation of labor demand;
- accelerating the development and introduction of new products to the market.

**Disadvantages:**
- low loyalty of channel participants of the same level;
- insignificant system orientation of channel participants.

**Vertical**

**Characteristic:**
- one of the participants in the channel is the owner or co-owner of others (controls the activities of others) - rigid vertical integration;
- one of the participants signs agreements with other ones (manufacturer or wholesaler) - flexible vertical integration (sufficient influence for the unification of all participants);
- close coordination is a prerequisite for a successful marketing activity.

**Advantages:**
- profitability due to joint activity, internal control and coordination, quick information retrieval;
- eliminating duplication of functions by the members of the channel and increasing their efficiency at the expense of the positive influence of the scale effect;
- high level of control.

**Disadvantages:**
- increase in the share of constant expenses in full cost;
- reducing the opportunity to change partners;
- the need for significant investments;
- increasing barriers to exit the market;
- decrease in the level of motivation and flexibility.

**Combined**

**Characteristic:**
- horizontal distribution of functions, created mainly by industry leaders, between the manufacturer and his partners and intermediaries;
- consist of their own sales departments and independent sales companies.

**Advantages:**
- servicing large and complex markets;
- the ability to adapt own products and services to the specific requirements of different market segments.

**Disadvantages:**
- complexity of management;
- increasing the likelihood of conflicts emergence.

**Fig. 1. Comparative analysis of goods distribution systems**
* systematized by authors on the basis of sources data [6; 7]
The process of managing the distribution policy is a certain sequence of stages, during which a decision to maximize the efficiency of the distribution system is made (Fig. 2).

An important point in the effective management of the distribution system is the increase in both the sale of certain goods and the in the entire distribution process. This can be achieved through the use of marketing communications.

One can meet different sales concepts on the domestic market: commodity oriented sales; trader oriented sales; consumer oriented sales [1; 9].

It should be noted that a new-generation sales concept suggests consumer oriented sales. This concept does not disagree with the other sales concepts. It is based on the potential of previous models and integrates their advantages with the possibilities of marketing technologies.

The concept of marketing, which helps to establish long-term cooperation between all the elements of a particular process - production, service provision, management - maximally corresponds to the specifics of organization and the formation of production and distribution systems in a market environment. It allows to deepen partnership links, to improve significantly the use of resource potential of all participants in the process of commodity circulation, including consumers, to accelerate the development of the territories in which the partners operate, to create new jobs.

**Fig. 2. Goods distribution policy management**

* compiled by authors on the basis of sources data [1; 2; 5]

Today we are witnessing the process of transition to relationships marketing. The scientists [5; 6], were among the first who proposed the thesis that the behavior of goods consumers is determined by the system of long-term relationships with suppliers. At the same time, marketers in the service sector came to the conclusion that it is cheaper for an enterprise to keep an existing consumer than to find a
new one. In goods distribution systems an important role is played by good relationships between the consumer and the trader. The studies confirm that most of the orders come from regular customers. That is why the companies began to develop measures aimed at keeping the existing customers.

The deepening of partnership links allows to switch to relationships marketing, the principal advantages of which must be used by enterprises as much as possible when establishing and managing goods distribution systems.

It should be noted that the concept of relationships marketing significantly affects the activities concerning the formation of goods distribution systems [10]. This concept is the most suitable one for the organization of the process of forming and functioning of goods distribution channels. However, the potential of this concept can be greatly enhanced if it is supplemented by new principles.

One of them should be the principle of mutual openness in cooperation, since the manufacturer is interested in long-term cooperation with his consumers, distributors, dealers and suppliers, because it is them who become partners in the process of identifying new values and help business entities to get additional income. It is important for businesses to strive to engage the consumer in interactive cooperation at different stages of value creation, which will enable them to cooperate with consumers in order to guarantee the benefits they seek.

Using the relationships marketing concept in the formation of the distribution system provides an opportunity to improve its efficiency.

Considering the existing approaches, we offer to estimate the level of social utility of the distribution channel, taking into account three components: efficiency, equity, effectiveness:

\[ \text{СККП} = f_1(E_n, E_c) + f_2(C_{дпр}, C_{эксп}) + f_3(P_{ап}, P_p) \]  

where, \( \text{СККП} \) – social utility of the distribution channel
\( E_n \) – supply efficiency of the distribution channel;
\( E_c \) – stimulation efficiency of the distribution channel;
\( C_{дпр} \) – availability equity of the distribution channel;
\( C_{эксп} \) – usage equity of the distribution channel;
\( P_{ап} \) – usage effectiveness of the distribution channel;
\( P_p \) – profitability of the distribution channel.

The proposed method of estimating the level of social utility of the distribution channel will enable to determine the effectiveness of its construction, which is determinant in the process of financial, economic and marketing activities of an enterprise.

**Conclusions.** Currently the concept of relationships marketing corresponds to the existing market conditions, which requires the establishment of a long-term cooperation between all entities of the distribution system. It allows to deepen the links between the participants of the distribution channel, to improve significantly the use of resource potential of all participants in the process of commodity circulation, including the consumers. It is the distribution systems that have a significant influence on the competitiveness of any enterprise, so there is a need for their effective formation and functioning. That is why the principle of mutual openness in cooperation will make it possible to create a stable relationships between the consumer and the supplier, will allow the supplier in advance to offer certain goods and services to the consumer at a convenient for him time and to balance the future demand.

**References**

