FORMATION OF A STRATEGY FOR THE EXPANSION OF ACTIVITIES IN FOREIGN MARKETS

Zakryzhevska Iryna
PhD in Economics, Associate professor
Head of Department of Marketing
Khmelnytskyi National University, Ukraine

Matviyuk Yurii
Master of specialty 075 Marketing
Khmelnytskyi National University, Ukraine

Savchuk Andrii
Master of specialty 075 Marketing
Khmelnytskyi National University, Ukraine

Strategic planning for enterprises aiming to enter foreign markets is fundamentally different from other types of planning in the management process, the main of which are operational, tactical and prospective. This difference lies not so much in the degree of detailing of the plan, goal or in the choice of the planning horizon, but, first of all, in the direction of the planning vector - from the future to the present.

One of the main tools of strategic planning is the marketing strategy of the enterprise. In general, the marketing strategy is a fundamental long-term decision regarding the use of the marketing apparatus to achieve the set goal [1].

For an enterprise, the marketing strategy is part of its overall strategic development plan and requires sound development methods. International strategies are characterized by situations in which future conditions cannot be taken into account by methods based on extrapolation. Therefore, it is extremely important not only to analyze the external conditions of activity and development prospects, but also to analyze the company's position in the competition in order to identify trends, threats, barriers and opportunities that can significantly affect the functioning of the company.

A marketing strategy can be developed by an enterprise for a separate market or market segment and each product for a certain period of time for the implementation of production and commercial activities in accordance with the market situation and the capabilities of the enterprise. All this requires the formation of an integrated marketing plan that will cover all markets and products of the enterprise, which is especially relevant in terms of entering foreign markets. Thus, the marketing strategy involves the study of all alternatives in the field of foreign economic activity, related to long-term goals and their rationale for making management decisions [2].

Definition International strategies represent a comprehensive basis for achieving the company's fundamental tasks in the foreign market. At the same time, as the author notes, there is much in common between the development of a competitive strategy in one country and a competitive strategy in most countries at the conceptual level [7].

Such common features relate to issues of product selection and market segment selection, product sales method selection, and others, making it easier for the company to choose and apply appropriate marketing strategy development tools.

The country's market is perceived by the company as a distinct whole, with different needs, buyers, different mentality and different ways of making decisions about purchasing property and services [5].

Analysis of the possibilities of calculating these indicators shows that their quantitative measurement is very difficult, and sometimes impossible. At the same time, the authors also limit themselves to the use of "conditional coefficients", placing them "in order from the most significant to the least significant", without justifying the choice of the most significant indicators [7].

Therefore, this approach of the authors is not only simplified, but also subjective.

The company's strategy aims to prevent the adverse influence of external factors. By defining the desired goal of its activities in the foreign market, the company can reduce the possibility of unforeseen effects of the main influencing factors. It is especially important to develop a strategy for the company's exit to foreign markets in the event of an increase in the number of markets where the company operates. Three groups of factors are considered as factors of influence in relation to their actions on the enterprise's decision to enter the foreign market:

– prerequisites for entering the foreign market, which provide for the compliance of the implementation of a number of significant characteristics regarding the development of the foreign market with the requirements and capabilities of the enterprise;

– motives for entering the foreign market, which are considered as incentives of the internal environment of the enterprise and the markets in which the enterprise conducts its activities and which encourage it to develop the foreign market;

– barriers to entering the foreign market, which include a certain list of important characteristics of the domestic market and the planned foreign market, which prevent the enterprise from entering the foreign market and effective activities on it.

The basis of the marketing strategy of foreign economic activity is the enterprise's decision to enter the foreign market: to carry out foreign economic activity, to increase its volume, to leave the market. In the event of a positive decision to enter the foreign market, it is necessary to resolve a set of issues that should determine the expediency of such activity [3]:

– choosing a foreign exit market;

– determining the time of entering the foreign market;

– substantiation of exit methods and strategies;

– substantiation of product, sales, price policy and product promotion policy;

– the organization of relevant structural divisions and the creation of positions at the enterprise, which should be responsible for procedural issues of foreign economic activity.

After choosing a foreign market, the conditions of which most adequately correspond to the goals and potential of the enterprise, its competitive advantages, the question arises about the justification of the strategy of entering this market. Strategies for entering the chosen foreign market may include various options related to the way to enter the market of a certain country and the choice of sales channel. At each stage of internationalization, companies use different combinations of actions, each of which is associated with certain costs, risks and effects. Thus, I. Ansoff believes that marketing strategy is planned at several levels: corporate, business unit level, functional and operational [7], and different strategic decisions are made at each of these levels. At the corporate level, strategic marketing issues that affect the prospects of business development as a whole are considered, the method of interaction with the market and the alignment of the company's potential with its goals are determined, and the ways of the best use of the company's resources to meet the needs of the market are also revealed. Strategies at the business unit level repeat the corporate strategy, but they are developed for each area of the enterprise separately. Marketing strategies of the functional level allow the company to define target markets and create marketing complexes adequate to their characteristics, operational strategies – to achieve their goals in selected markets with the help of the synergy effect.

We offer a system of criteria, the use of which will allow you to choose the most appropriate strategy depending on the operating conditions and goals of the enterprise. The following criteria are proposed:

– the strategic goal of entering the foreign market;
– the speed of entering the foreign market;
– distribution of stages of the enterprise's business cycle abroad;
– the level of capital investments;
– direct investments;
– distribution of the level of management and control abroad;
– level of risks;
– involvement in the markets;
– legal grounds for carrying out activities abroad;
– the status of the entity entering the foreign market.

To choose a strategy for entering a foreign market, an enterprise needs to take into account not only the level of necessary capital investments in the country and abroad, but also the level of management: operational or strategic. According to German economists, the distribution of capital investments and management in the country and abroad under different strategies occurs in accordance with the model of successively increasing the level of management and capital investments.

Reference

1. Larina Ya.S. Stratehichnyi marketynh : navch. posib. / za red. Ya.S. Larinoi. – Kherson: OLDI-plius, 2019. – 364 s.

2. Pysarenko V.V. Stratehichnyi marketynh: navch. posib. / V.V. Pysarenko, M.O. Bahorka. – Dnipro: Vydavets, 2019. – 240 s.

3. Protsyshyn Yu.T. Stratehichnyi marketynh : elektronnyi navchalnyi posibnyk dlia studentiv spetsialnosti 075 Marketynh, stupenia vyshchoi osvity mahistr / Yu.T. Protsyshyn – Ternopil: ZUNU, 2022. – 146 s.

4. Zakryzhevska I.V. Teoretychni zasady formuvannia ekonomichnoi stratehii pidpryiemstva u konteksti stratehichnoho upravlinnia V. Lukianova, T. Holovach, I.

Zakryzhevska // Visnyk Khmelnytskoho natsionalnoho universytetu. Ekonomichni nauky. – 2023. – №2. – S.167-171. Rezhym dostupu: https://cutt.ly/RwqJN6RO

5. Zakryzhevska I.V. Metodychnyi pidkhid do formuvannia marketynhovoi stratehii prosuvannia produktsii na novi rynky / I.V. Zakryzhevska, T.I. Katkova, V.L. Karpenko // Innovation and Sustainability, 2022. – №4. – S. 160-172. Rezhym dostupu: http://bit.ly/3HWVr5S.

6. Zakryzhevska I.V. Stratehuvannia yak instrument zabezpechennia efektyvnoho funktsionuvannia pidpryiemstva / V. Lukianova, T. Holovach, I. Zakryzhevska // Visnyk Khmelnytskoho natsionalnoho universytetu. Ekonomichni nauky. 2023. № 1. S.232 – 238. Rezhym dostupu: https://cutt.ly/R74uzJN7/

7. Zakryzhevska I.V. Mistse transnatsionalnykh ekonomichnykh struktur v systemi mizhnarodnykh ekonomichnykh vidnosyn v umovakh hlobalizatsii / I.V. Zakryzhevska, O.V. Ostapchuk, N.S. Karvatska // Ukrainskyi zhurnal prykladnoi ekonomiky ta tekhniky. 2022. Tom 7. № 2, rr. 253 – 259. Rezhym dostupu: https://cutt.ly/O3y4wZr