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Congruent marketing product strategies of the enterprises

Abstract. *Introduction.* Only goods of high consumer appeal are more competitive. They can provide sustainable benefits in terms of an enterprise's existence and effectiveness of its capacities, which enables the enterprise to achieve its strategic objectives. Therefore, today the issue related to the choice of an effective congruent marketing product strategy for the enterprise is of top priority. *The purpose* of the article is to justify the scientific and methodical approach to the determination of a congruent marketing product strategy based on consumer preferences of the trademarks.
Results. The article defines the key role of the marketing product strategy in order to provide sustainable business development. The author of the article has suggested a scientific and methodological approach to define the congruent business marketing product strategy, taking into consideration the customer preferences and the effectiveness of business subsystems. With regard to the specified values of the integrated evaluation of the consumer preference satisfaction degree in the market and the integrated evaluation of the enterprise subsystems effectiveness, the marketing commodity strategies at the functional level for the companies engaged in the production of 29 trademarks of the refined sunflower oil in Ukraine have been defined. *Conclusions.* It has been established that the determination of the marketing congruent commodity strategy allows the enterprise to define its further steps in the market taking into account the financial and economic state and assessing the degree of consumers' satisfaction. Such features reduce the risk associated with the implementation of unsuccessful business activities in the market.
Keywords: Congruent Marketing product strategy; Trademark; Consumer Preferences; Efficiency of Subsystems; Integrated Evaluation; Cooking Oil; Edible Oil Trademarks; Sunflower oil Producers; Edible Oil Consumers
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Конгруентні маркетингові товарні стратегії підприємства
Анотація. У статті визначено ключову роль маркетингової товарної стратегії у забезпеченні довгострокового прогресивного розвитку підприємства. Запропоновано науково-методичний підхід до визначення конгруентної маркетингової товарної стратегії підприємства, що враховує споживчі переваги на ринку та ефективність підсистем підприємства. Обґрунтовано доцільність впровадження підходу за результатами ринкової апробації, що підтвердила його дієвість.
Ключові слова: конгруентна маркетингова товарна стратегія; торговельна марка; споживчі переваги; ефективність підсистем; інтегральна оцінка.

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Конгруэнтные маркетинговые товарные стратегии предприятия
Аннотация. В статье определено ключевую роль маркетинговой товарной стратегии в обеспечении долгосрочного прогрессивного развития предприятия. Предложено научно-методический подход к определению конгруэнтной маркетинговой товарной стратегии предприятия, учитывающий потребительские предпочтения на рынке и эффективность подсистем предприятия. Обосновано целесообразность внедрения подхода по результатам проведенной рыночной апробации, которая подтвердила его действенность.
Ключевые слова: конгруэнтная маркетинговая товарная стратегия; торговая марка; потребительские предпочтения; эффективность подсистем; интегральная оценка.

1. Introduction

Marketing product strategy is a key element that helps a company in achieving commercial success in both short and long terms with regard to the intensity of rivalry and constant changes in consumer preferences in the market. Only goods of high consumer appeal can provide sustainable benefits in terms of the enterprise's existence and effectiveness of its capacities, which enables the enterprise to achieve its strategic objectives. In times of rapid consumer preferences changes and high potential of customer switching between different brands the issue related to the choice of an effective congruent marketing product strategy for the enterprise is of top priority. If the consumer preferences (loyalty) increase, it has a positive impact on the company's competitiveness and consequently improves its position in the market. The assessment of the enterprise's subsystem efficiency is an equally important factor influencing the choice of the marketing product strategy. Only a properly chosen strategy, which regards the capacities of the enterprise, can enhance its effectiveness.

2. Brief Literature Review

Theoretical and practical aspects of how to arrange and implement the enterprise marketing product strategy have been studied by prominent domestic and foreign scholars, for example: Ph. Kotler (2011); M. Kramer (2006); J-J. Lambin (2012); D. Lehmann (2010); M. Lomzyna (2013); M. Porter (2006), I. Schuiling (2012); O. C. Ferrell and M. Hartline (2014); N. Hurzhiy (2012); R. Fedorovych (2013); V. Pavlova (2011); J. Gabay (2010); T. Kochan (2003).

Consumer satisfaction and preferences measurement is a pre-requisite to proper choice of the marketing product strategy. Consumer satisfaction theories, therefore, have been developed and probated at various markets with regard to the peculiarities of time. It is important to mention such theories of consumer satisfaction, explained in details, for instance, by

A. Yuksel (2008), as: «the Value-Precept Theory; the Attribution Theory, the Equity Theory; the Comparison Level Theory; the Expectancy-Disconfirmation Paradigm (EDP); the Evaluation Congruity Theory; the Person-Situation-Fit Model; the Performance Importance Model; the Dissonance Model, and the Contrast Theory».

J. M. Sirgy (1984) presented the Evaluative Congruity Model which lies in a core of the Evaluation Congruity Theory which we consider as a theoretical basis of the proposed research in the part of the consumer satisfaction matching with the marketing product strategy to be chosen by the enterprise.

It is also worth mentioning that at the markets with high liability like the one under analysis in this paper the positions of Consumer Dissatisfaction Theory presented by R. Anderson (2007) should be taken into account.

There are the studies devoted to evaluation of the impact of marketing strategy on customer satisfaction by building up and testing multifactorial models, for example, by Cheng-Feng Cheng and Wann-Yih Wu (2011) and K. Ilieska (2013).

However, we present an approach for customer preferences measurement which has not been used before and test it on the edible oil market of Ukraine, namely, sunflower oil consumer market, taking into account 29 sunflower oil trademarks.

3. The purpose of the article is to justify an approach to the determination of the congruent marketing product strategy based on consumer preferences of trademarks.

4. Results

Under the conditions of rapid development of the market economy, the production of goods that meets the customers' requirements which provides a sustainable competitive advantage by responding to changes and forming key success factors in the industry, as well as the extension of the market niche by changing the marketing product strategy which improves the enterprise's financial and economic conditions, is seen to be one of the key objectives for the enterprise. It should be mentioned that satisfaction of consumer preferences is an important aspect of the process of choosing the marketing product strategy in the company. Due to the continuous monitoring of the needs of the target audience, the company is able to increase the volume of its production, to maximise profits and to enter new markets.

The author suggests a two-factor matrix based on the possibility to carry out a selection of the congruent marketing product strategy. The dimension of the matrix is 2 × 3 with six quadrants, where there are three strategic areas and each is responsible for a certain type of marketing product strategy. The X-axis represents the level of consumer preference satisfaction in the market, and the Y-axis shows the effectiveness of the enterprise subsystems (Figure 1).

The implementation of the particular congruent marketing product strategy (S_m) is based on the relation between the integrated evaluation of the consumer preference satisfaction degree in the market (I_C) and the integrated evaluation of the enterprise subsystem effectiveness (I_E). The justification of the strategy can be determined as dependent variables $S_m = (I_C, I_E)$.

To determine the consumer preference satisfaction in the market, it is essential to point out indicators (by expert assessments) that can be used to establish the causes of low consumer satisfaction with a particular trademark or set the level of changes in consumer requirements to the product. The integrated evaluation of the consumer preference satisfaction degree in the market comes as a sum obtained from multiplying the weight of each indicator by the scores. According to the expert method of the degree evaluation of the consumer preferences, satisfaction in the market is defined as the weight of indicators. The results of the conducted survey served as the original source for the evaluation of the consumer preference satisfaction degree in the market. To reflect the consumer preference satisfaction in the market, we have created a scale of evaluation (Table 1).

The evaluation scale of the integrated evaluation of the consumer preference satisfaction degree in the market includes the results of a marketing research. According to the conducted research, goods have a high degree of attractiveness to consumers if the customer preferences are satisfied to an extent of 85%-100% and if there is a lack of similar goods on the market or their availability or choice on the market is limited, thus consumers prefer goods which satisfied their preferences up to 70%. The research shows that consumer preferences in the market are satisfied by the producer to an extent of 70%-85% on average.

The integrated evaluation of enterprise subsystem effectiveness is the next step in order to develop the marketing product strategy matrix. Despite the fact that the effectiveness of each subsystem displays financial and economic results of the enterprise and the fact that the corresponding indicators provide information about the capacity and readiness of the enterprise to implement the strategy, we have prepared a list of indicators that have a direct or indirect impact influence on the choice of the enterprise marketing product strategy. The expert evaluations method was used to select indicators. The key indicators that reflect the capacity and readiness of enterprises to implement the marketing product strategy include: capital productivity, net profit, return on assets, labour productivity, gross income, return on assets (capital). Also, we have developed a synthetic metrics in order to carry out a comprehensive assessment of the key indicators. Integral evaluation of enterprise subsystems effectiveness is calculated as a sum of products of the enterprise indicators score and its proportion, which is determined by expert estimates (Table 2).

According to Table 2, when the high efficiency of enterprises is 60%-100% of the optimal values of the analysed indicators, the current enterprise management policy becomes effective and efficient. If the integral evaluation of enterprise
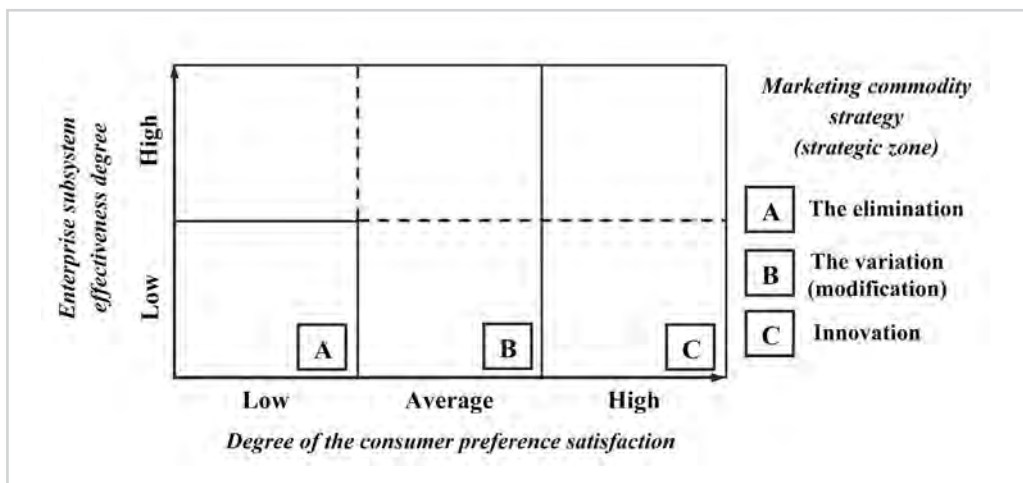

Fig. 1: **Matrix of determination of the congruent marketing product strategy**
Source: Compiled by the author

subsystem effectiveness ranges from 0 to 3, it indicates the low efficiency of the subsystems accompanied by fragile economic and financial conditions at the enterprise, as evidenced by only 60% of the optimal values of the indicators. The testing of the suggested approach to the choice of the congruent marketing product strategy is shown with regard to manufacturing companies which represent different trademarks producing refined sunflower oil.

According to the report by the Centre for the Promotion of Imports from developing countries (CBI, The Netherlands, 2016), «Total imports of sunflower oil in Europe reached 2.9 million tonnes (EUR 2.8 billion) in 2015. Ukraine is the largest developing country supplier of sunflower oil to Europe (24% share in volume), amounting to 684 thousand tonnes (EUR 523 million).»

It is worth mentioning the researches devoted to marketing strategies of the edible oil companies, namely, by M. Amiri (2016) for Pune city of India; Ya. Topcu, B. Turhan and A. S. Uzundumlu (2010) for Turkey and Erzurum province; M. Parras (2013) for different regional and global markets.

Figure 2 shows the evaluation of 29 trademarks of refined sunflower oil under the analysis in 2015-2016 by each of the parameters of our proposed model.

The conducted research showed that *Oleyna, Stozhar* and *Chumak Zolota* were recognised the best trademarks in the Ukrainian market of refined sunflower oil made by JSC «Dnipropetrovsk Oil Extraction Plant» and LLC «Prykolotnianskyi Oil Extraction Plant». Comparatively low scores were shown by *Dobra Vyhoda* which is manufactured by LLC «Trading House «Amstor». Based on the calculations, it has been established that the value for the integrated evaluation of the enterprise subsystem effectiveness ranges from 1.15 to 4.85. LLC «Prykolotnianskyi Oil Extraction Plant» has the highest score among the producers of refined sunflower oil, whereas LLC «Striletskyi Step Oil Extraction Plant» has the lowest.

According to the abovementioned values of the integrated evaluation of the consumer preference satisfaction degree in the market and the integrated evaluation of the enterprise subsystems effectiveness, we have defined marketing commodity strategies at the functional level for the companies engaged in the production of refined sunflower oil in Ukraine (Figure 3).

According to Figure 3, trademarks such as *Dobra Vyhoda* and *Dar Sontsia*. are located in strategic zone 1, which corresponds to the eliminating marketing product

Tab. 1: **Evaluation scale of consumer preference satisfaction degree**

No.	Significance of the Integrated Evaluation	Definition	Description
1	$0 < I_C < 3.5$	Low degree	The low level of loyalty and the low level of consumer confidence in goods. Consumers choose the product in the case of a limited choice on the market or the lack of similar goods
2	$3.5 \leq I_C < 4.25$	Average degree	The average level of loyalty and the average level of consumer confidence in goods. Consumers often choose such goods but if they are completely dissatisfied or if they have a choice, they buy other goods available on the market.
3	$4.25 \leq I_C \leq 5$	High degree	The high level of loyalty and the high level of consumer confidence in goods. Consumers choose only such goods

Source: Compiled by the author

Tab. 2: **Evaluation scale of enterprise subsystem effectiveness degree**

| No.	Significance of the integrated evaluation	Definition	Description
1	$0 < I_E < 3$	Low degree	Unstable financial and economic state of enterprises, low productivity activities, the need to improve management policy
2	$3 \leq I_E \leq 5$	High degree	Normal financial and economic state of enterprises, high performance activity, the need to continue the current management policy

Source: Compiled by the author
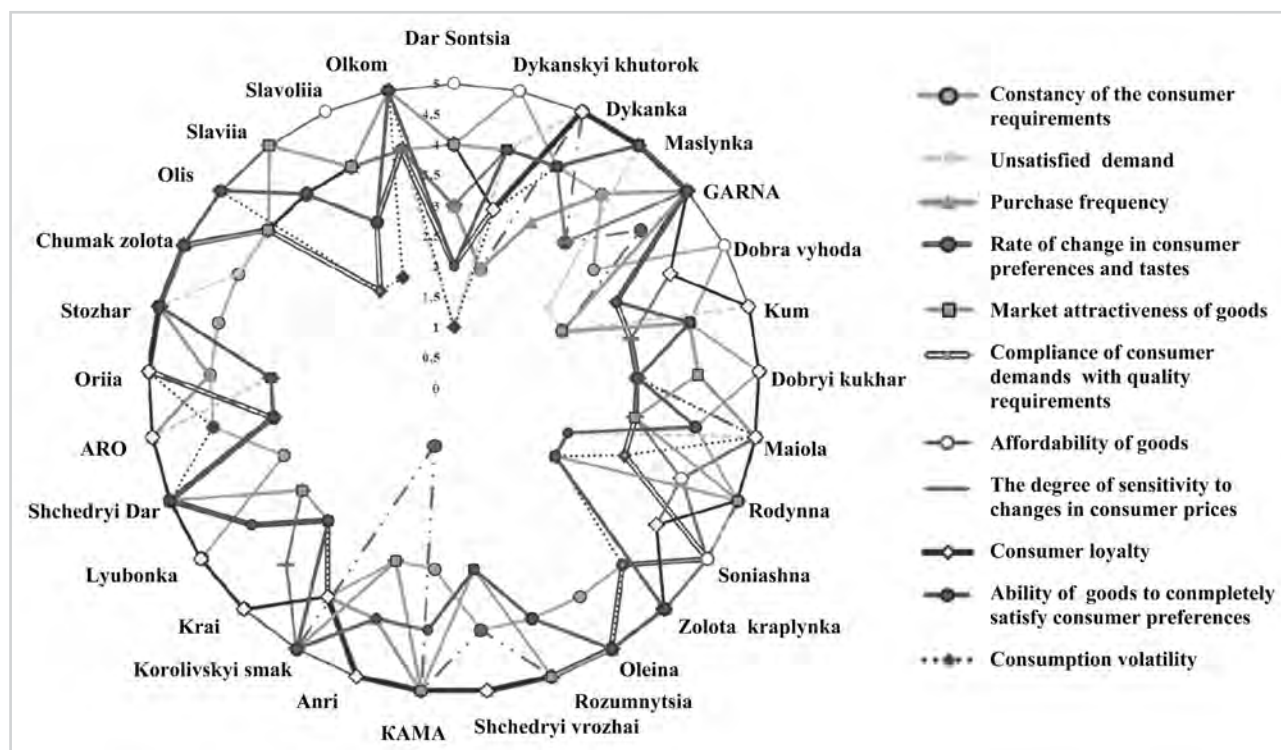
Fig. 2: **Evaluation of the degree of consumer preference satisfaction by selected refined sunflower oil trademarks**
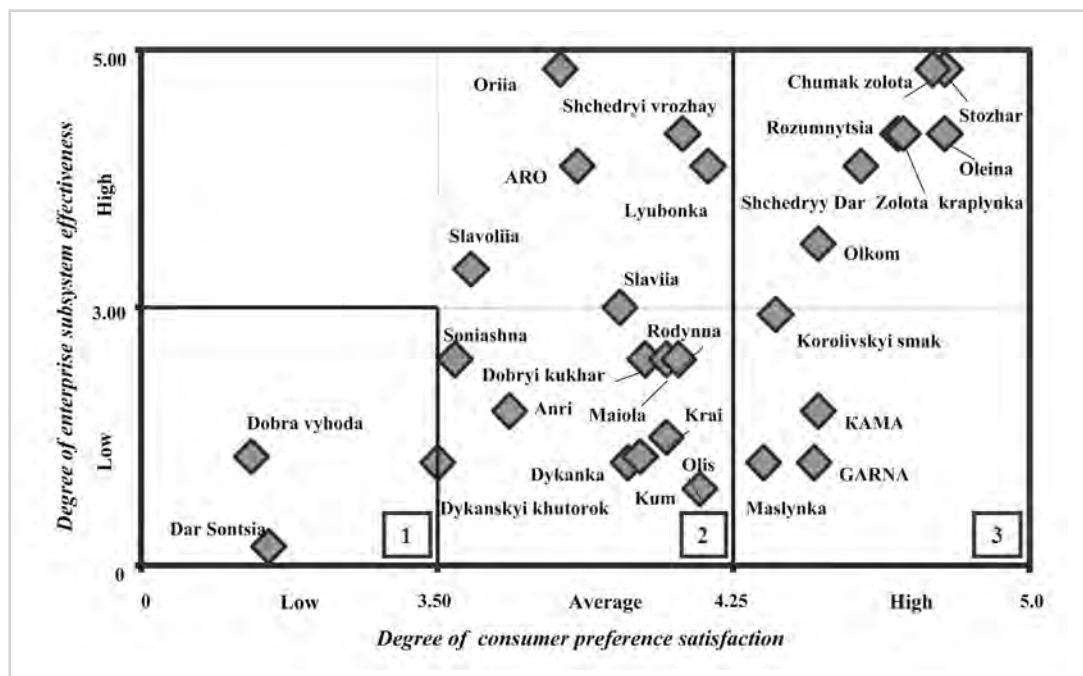Source: Compiled by the author

Fig. 3: **Matrix of determination of the congruent marketing product strategy of Ukrainian refined sunflower oil trademarks**
Source: Compiled by the author

strategy. Such a position of the trademarks is caused by a low level of satisfaction of consumer preferences in the market and a low degree of the enterprise subsystem efficiency. Strategic zone 2, which corresponds to the variation (modification) of the marketing product strategy, includes sixteen refined sunflower oil trademarks, among which are *Dykanskyi Khutorok, Dykanka, Dobryi Kukhar, Maiola, Rodynna, Soniashna, Kum, Shchedryi Vrozhai, Anri, Krai, Lyubonka, ARO, Oriia, Olis, Slaviia and Slavoliya*. The abovementioned trademarks are in the second strategic zone, because they have average degree of both consumer preference satisfaction and the enterprise subsystem effectiveness and obtain either high or regular approximation to it. Strategic zone 3 contains eleven trademarks of refined sunflower oil, among which are *Maslynka, GARNA, Zolota Kraplynka, Oleina, Rozumnytsia, KAMA, Korolivskyi Smak,*

Shchedryi Dar, Stozhar, Chumak Zolota, Olkom. The abovementioned trademarks are in strategic zone 3 due to a high degree of consumer preference satisfaction and a high degree of the enterprise subsystem effectiveness.

5. Conclusions

It has been established that the determination of the marketing congruent commodity strategy allows the enterprise to define its further steps in the market taking into account the financial and economic state and assessing the degree of consumers' satisfaction. Such features reduce the risk associated with the implementation of unsuccessful business activities in the market. The implementation of the suggested approach to the choice of an effective congruent marketing product strategy by manufacturers of refined sunflower oil allows us to consider its feasibility for the systematic use at different enterprises.

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