

Marketing Tools for Increasing Effectiveness of Entrepreneurial Structures' Activities in the Conditions of Import Substitution

Herramientas de comercialización para aumentar la efectividad de las actividades de las estructuras empresariales en las condiciones de sustitución de importaciones

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ABSTRACT:

The purpose of the article is to verify the offered scientific hypothesis and to develop marketing tools of increase of effectiveness of entrepreneurial structures' activities in the conditions of import substitution in modern Russia. For this, the methods of regression and correlation analysis are used. Also, dynamics of effectiveness of the national market is studied with the help of trend analysis. The information and analytical basis for the analysis are the materials of the World Economic Forum for the recent five years (2012-2016). The results of the research showed low effectiveness of the policy of import substitution, which is realized in modern Russia. The key goal, sought within this policy, is not achieved. Thus, reduction of the volume of import is not related to the implemented measures in the sphere of customs regulation. At that, "side effects" of the policy of import substitution, related to reduction of concentration of sectorial markets and reduction of the level of companies' orientation at the customers, are very clear. The value of the general indicator of

RESUMEN:

El objetivo del artículo es verificar la hipótesis científica propuesta y desarrollar herramientas de marketing para incrementar la efectividad de las actividades de las estructuras empresariales en las condiciones de sustitución de importaciones en la Rusia moderna. Para esto, se usan los métodos de regresión y análisis de correlación. Además, se estudia la dinámica de la efectividad del mercado nacional con la ayuda del análisis de tendencias. La información y la base analítica para el análisis son los materiales del Foro Económico Mundial de los últimos cinco años (2012-2016). Los resultados de la investigación mostraron una baja efectividad de la política de sustitución de importaciones, que se realiza en la Rusia moderna. El objetivo clave, buscado dentro de esta política, no se logra. Por lo tanto, la reducción del volumen de importación no está relacionada con las medidas implementadas en el ámbito de la regulación aduanera. En ese sentido, los "efectos secundarios" de la política de sustitución de importaciones, relacionados con la reducción de la

effectiveness of the national market also reduces. The authors substantiate the logic and offer recommendations for application of marketing tools for increasing the effectiveness of entrepreneurial structures' activities in the conditions of import substitution in modern Russia.

Keywords: marketing tools, state management, import substitution, effectiveness, entrepreneurial structures.

concentración de los mercados sectoriales y la reducción del nivel de orientación de las empresas hacia los clientes, son muy claros. El valor del indicador general de efectividad del mercado nacional también se reduce. Los autores corroboran la lógica y ofrecen recomendaciones para la aplicación de herramientas de marketing para aumentar la eficacia de las actividades de las estructuras empresariales en las condiciones de sustitución de importaciones en la Rusia moderna.

Palabras clave: herramientas de mercadotecnia, gestión estatal, sustitución de importaciones, efectividad, estructuras emprendedoras.

1. Introduction

The policy of import substitution is a logical and adequate answer of a country to external threats which lead to increase of the problem of providing its national economic security. In addition to overcoming the dependence on import of goods, the policy of import substitution stimulates the development of national entrepreneurship, accelerating the growth rate of economy. These advantages make the policy of import substitution so attractive that the governments that implement it often do not consider the potential risks that may appear with it.

One of the most important risks, related to implementation of the policy of import substitution, is reduction of global competitiveness of domestic entrepreneurship and the national economy on the whole as a result of limited action of the market mechanism. This take place due to two reasons. Firstly, due to elimination of market stimuli for development for companies. Secondly, due to violation of market signals from consumers to companies that inform them on changes in consumers' preferences.

According to the working hypothesis of this research, the policy of import substitution is conducted in modern Russia through application of the methods of regulation of foreign trade (tariff and non-tariff), which leads to reduction of competition at the national market. Without additional measures for stimulating competition, this leads to reduction of effectiveness of entrepreneurial structures' activities. The purpose of the article is to verify the offered scientific hypothesis and to develop marketing tools for increase of effectiveness of entrepreneurial structures' activities in the conditions of import substitution in modern Russia.

2. Materials and method

In order to verify the offered hypothesis, the authors use the methods of regression and correlation analysis, with the help of which the connection between the following indicators is studied:

- load of customs procedures, volume of import of goods, and level of monopolization of the national market;
- level of monopolization of the national market and the level of customer orientation, which reflect the entrepreneurship's effectiveness.

Also, dynamics of effectiveness of the national market is studied with the help of trend analysis. The information and analytical basis for analysis includes the materials of the World Economic Forum for five recent years (2012-2016), which are systematized in Table 1.

Table 1

The information and analytical basis of the research

Indicators	Symbol	Value of indicators for the years				
		2012	2013	2014	2015	2016
6.13 Load of customs						

procedures, points	x1	2.9	3.3	36	3.6	3.8
6.14 Import, % GDP	y1	22.3	21.6	22.1	23.0	21.2
6.02 Level of monopolization of the national market, points	y2, x2	3.3	3.5	3.7	3.7	3.8
6.15 Level of orientation at customers, points	y3	4.7	4.7	4.6	4.6	4.5
6.00 Effectiveness of the national market, points	-	4.5	4.4	4.4	4.3	4.2

Source: compiled by the authors on the basis of (World Economic Forum, 2017).

3. Discussion

Applied peculiarities and scientific and methodological problems of state management of effectiveness of entrepreneurial structures' activities in the conditions of import substitution are studied in the works of such scholars as (Bogoviz and Mezhov, 2015), (Popkova et al., 2016), (Sadovnikova et al., 2013), (Popova et al., 2015), (Bogoviz et al., 2017), (Sandu et al., 2017), (Przhedetskaya and Akopova, 2015), and (Loginov and Karanina, 2017).

4. Results

As a result of the regression analysis, we received the following models of paired linear regression. The first model: $y_1(x_1)=22.01-0.2x_1$. According to this model, increase of the load of customs procedures by 1 point leads to reduction of the volume of import of goods in Russia by 0.2% of GDP. The value of correlation coefficient for this model constitutes 0.18%.

Second model: $y_2(x_1)=3.55+1.4x_1$. It shows that increase of the load of customs procedures by 1 point leads to increase of the level of monopolization of the national market of modern Russia by 1.4 points. Correlation coefficient acquired the value 91%. Third model: $y_3(x_2)=5.97-0.375x_2$. According to this model, increase of the level of monopolization of the national market of modern Russia by 1 point led to reduction of the level of customer orientation of national companies by 0.375 points. Correlation coefficient constitutes 98%.

The obtained regression models reflect low effectiveness of the policy of import substitution that is implemented in modern Russia. The key goal, which is sought within this policy, is not achieved. Thus, reduction of the volume of import is minimal and is not related to the realized measures in the sphere of customs regulation. At that, "side effects" of the policy of import substitution, caused by reduction of the level of concentration of sectorial markets and the level of companies' orientation at customers, are very clear.

The value of the general indicator of effectiveness of the national market also reduces. In 2016 it constituted 4.2 points, dropping by 6.6% as compared to 2012, when it was 4.5. This proves the offered hypothesis on the necessity for supplementing measures in the sphere of customs regulation, realized within the national policy of import substitution by marketing measures.

According to this, the goal of state management of the process of import substitution should include reduction of the risk component of implementation of the policy of import substitution. Marketing tools are the method for achieving the goal – these tools are aimed at formation and support for competitive environment at the national sectorial commodity markets. Its structural elements are the following.

Firstly, reduction of barriers for input at the sectorial commodity markets for new players. As one of the restraining factors on the path of development of highly-competitive environment

at the sectorial markets is high barriers for new players, their reduction is one of the most important marketing tools for state regulation of economy. In modern Russia, market barriers for entering are expressed in the following:

- difficult procedure of business registration;
- low accessibility of state services for entrepreneurship;
- high tax load on entrepreneurship;
- low accessibility of financial resources for creation and development of resource-intensive business.

In view of these barriers, marketing tools of the state should be aimed at their reduction, namely:

- simplification of the procedure of business registration and increase of accessibility of state services for entrepreneurship through development of the system of multifunctional centers and e-government;
- reduction of tax load for entrepreneurship by providing a wider set of tax preferences for beginning companies (startups);
- increase of accessibility of financial resources for creation and development of resource-intensive business through development of the system of public-private partnership.

Secondly, fighting monopolies, which appear in the sectorial commodity markets. Despite the active anti-monopoly policy, performed in Russia, there are legal contradictions that hinder achieving its high effectiveness. In particular, it is manifested in several companies' having different names and a complex system of owners – legal entities – including foreign companies, being owned by one owner and conducting the common marketing policy.

In order to solve this problem and hinder lobbying the interests of large entrepreneurs in the sectorial markets by their hidden monopolization, we recommend implementing changes into the existing Russian laws: forbidding registration of business with long chains of legal entities, for in each specific case the owner of a company must be determined, and connection between different companies belonging to one person must be set.

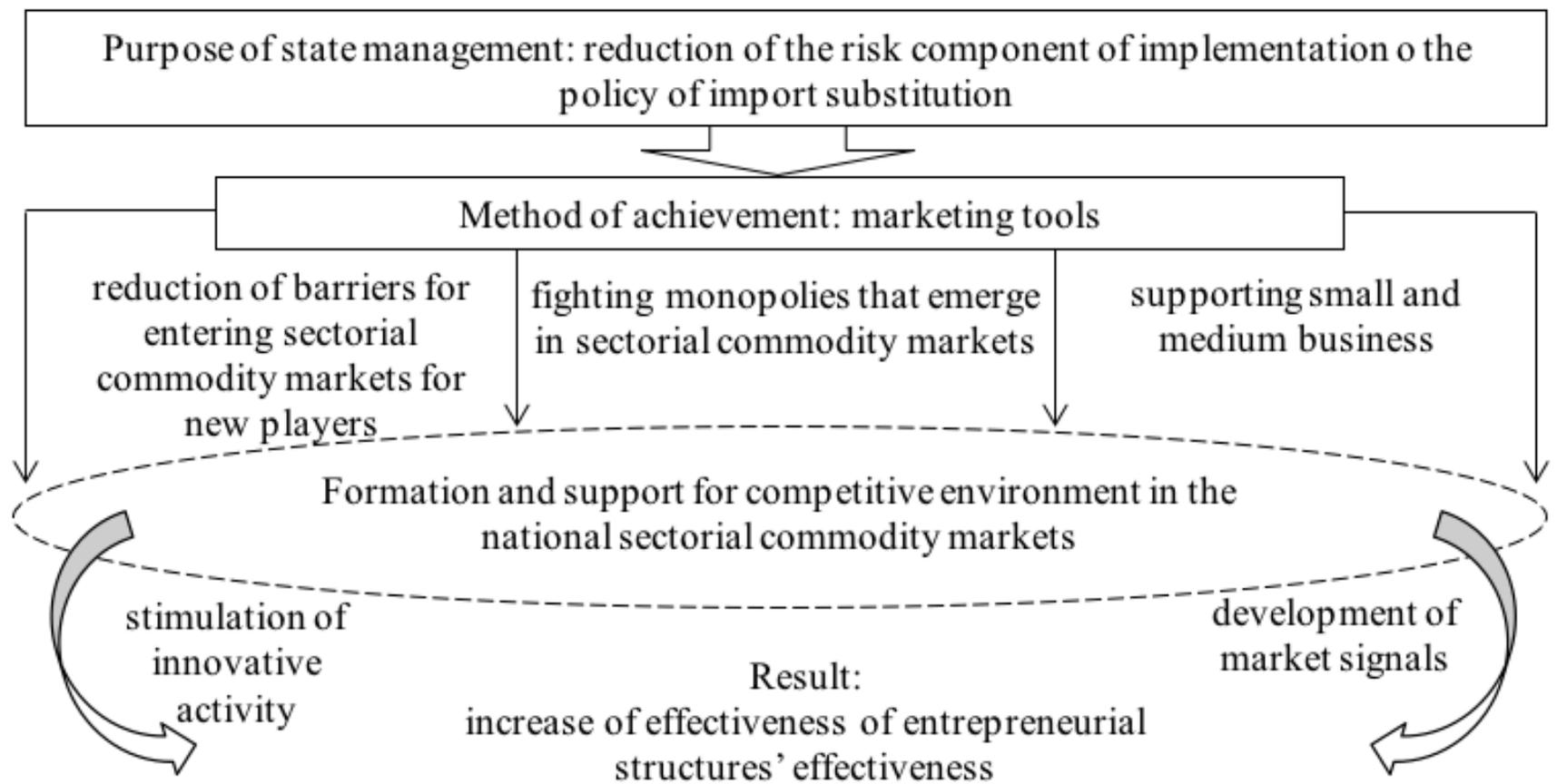
Thirdly, support for small and medium domestic entrepreneurship. Small and medium business is a basis of economy in developed countries – which experience could be useful for modern Russia. Small and medium business ensures high concentration of sectorial markets and hinders their monopolization. However, small and medium companies cannot compete with large business. That's why the authors offer the following measures for supporting small and medium entrepreneurship in modern Russia:

- provision of tax subsidies for small and medium companies;
- provision of credit preferences for development of small and medium entrepreneurship;
- supporting formation of clusters of small and medium companies.

The logic of application of marketing tools for increase of effectiveness of entrepreneurial structures' activities in the conditions of import substitution is shown in Figure 1.

Figure 1

Logic of application of marketing tools for increasing the effectiveness of entrepreneurial structures' activities in the conditions of import substitution



Source: compiled by the authors

As is seen from Figure 1, due to application of the above marketing tools, competitive environment is formed and supported in the national sectorial commodity markets. This ensures stimulation of innovational activity of business and development of market signals from consumers to companies. As a result, effectiveness of entrepreneurial structures' activities is raised by optimization of their business processes and increase of their orientation at existing needs of consumers.

5. Conclusion

Thus, marketing tools of managing the process of import substitution should accompany the implemented measures in the sphere of regulation of foreign trade in order to preserve and increase the effectiveness of national entrepreneurship. This is important for preservation of the designated course for development of modern economic systems according to the market type.

It should be noted that implementation of the policy of import substitution should be viewed as a last resort, used in case of absence of alternative measures for provision of national economic security. The best method of regulation of sectorial markets in modern economic systems is market self-management; in certain cases, overcoming the failures of the market requires interference of the state into economic processes that take place in economy.

From the scientific point of view, the studies aimed at determining specific spheres of the national economy and economic processes, peculiar for emergence and deepening of the market's failures, are very interesting. The policy of import substitution in these spheres is justified, and in many cases – necessary. These spheres should be determined, and the offered marketing tools for increasing the effectiveness of entrepreneurial structures' activities in the conditions of import substitution should be adapted in further studies in this sphere.

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