

ANALYZING THE DNIPROPETROVSK MARKET OF OFFICE FURNITURE

The purpose of marketing research was to analyze the market of office furniture in Dnipropetrovsk.

As researches rotined, the furniture market of Dnepropetrovsk reflects a general furniture market of Ukraine tendency. For two last years the volume of sales furniture products shorted almost twice and makes about 1 milliard hryvnyas in a year. The stake of domestic products is not increased thus – about 60% of market. The principal reasons of decline in the furniture production of Ukraine are the following:

1) Imperfection of material and technical base limited by production capacities which was created, mainly, in soviet times; out-of-date technologies and equipment; low quality of domestic stuff materials.

On the estimations of experts, 50% equipment of furniture industry it is produced more than 20 years ago. About 80% types of furniture materials were imported.

2) Falling down the purchaser ability of population.

3) Not enough strong image of the Ukrainian producer. Quality of products falls short of the modern requirements of user at in relation to high prices.

4) Low level of competition among domestic producers.

Today the great number of shallow furniture firms functions at the market of Dnepropetrovsk. However the basic holders of furniture market are two enterprises – «Table & Chair» and «Liga Nova». There is a more than fourth of the Dnepropetrovsk production of furniture on their stake.

Company «Table & A chair» produces the products of medium-grade quality, but its price is considerably below, comparing with competitors. «Table & Chair» created a powerful point-of-sale network in all large cities of Ukraine: there are 85 shops in 36 cities of Ukraine. The «Liga Nova» produces the high quality products , than «Table & Chair», but it yields to the proper foreign analogues. The products of this enterprise are counted on users with the high and middle level of profit. Taking to account that the market of furniture of Dnepropetrovsk is obviously unsaturated, basic competitors do not feel like the leadthrough of aggressive

strategies.

Thus, furniture market development in Dnepropetrovsk (and in Ukraine) is sufficiently problematic. The experts convinced that in the nearest future the situation can not change without government support.

The experience of quickly developing countries shows that basic actions from government side must be following:

1) to abolish the import duty on raw material and materials which are not produced in Ukraine;

2) to create the tax deductions on the purchase of raw material and materials at the internal market for the enterprises of exporters;

3) decline of tax and custom collections on the import of equipment;

4) to organize the return VAT to the enterprises-exporters;

5) to support the Ukrainian producers on international exhibitions.