MARKET ANALYSIS IN SYSTEM OF STRATEGIC PLANNING OF ENTERPRISE ACTIVITY

The structural element of strategic planning is the analysis of the market the company works on, its position, products which a company offers to the market. It supposes consideration of the following aspects: determination of market; its macro- and microsegmentation, life cycle of product/industry determination; company positioning at the market; company attitude towards competitors.

It is necessary at the market analysis to think over answers for the following questions:

• Which are the basic economic indicators characterizing industry?
• Which are competition forces, operating in industries, and degree of their influence?
• What causes the changes in competition forces structure and what influence these factors will render in the future?
• Who determines the direction the competitive activity will go in the near future?
• How attractive is industry for a company?

The answer to these questions supposes determination of own base market in terms of family necessity, not in terms of commodity.

The base company market can be determined by four measures:

• What are necessities, functions or combinations of functions which need to be satisfied?
• What are different groups of users which needs can be satisfied?
• What are existent technologies which are able to execute these functions?
• What is distribution geography for users?

For example, for “Kominmet” enterprise, which specializes on pipe production, a market can be determined as:

• Functions is benefit from transit of gaseous and liquid environments;
• The groups of users are the enterprises of building complex, agriculture and consumer complex as well;
• Technologies are steel zincked pipes, and also steel black pipes;
• Geography: Ukraine, countries of CIS, market of Germany and republics of former Yugoslavia.

Specification of its condition is the next stage of market analysis. That’s why it is necessary to choose description which is the most suitable to the market/industry: young, engendered, fast-growing; uniting the small group of competitors; being in the stage of maturity/growth; being in the stage of slump/senescent; crushed (fragmentary); international/global; producing consumers goods; IT/fast-changing.

The prospects of work at market depend on a stage which a market is on. During the analysis the basic economic indicators of market are examined: sizes; scales of competition; rates of growth and stage of development; number of competitors and their relative sizes; amount of buyers and their financial possibilities, profitability of industry etc.

Every industry is changing all the time. Thus, efficiency increasing of the strategic planning supposes the account of character of these changes. The factors of changes can be: introduction of new products; increasing globalization of industry; changes in composition of users; changes in ways of using product; changes in expenses and productivity structure; changes in the legislation; changes in the marketing system; transition of consumers preferences from differentiated to the standard commodities (or vice versa); distribution of new technologies; stage of development of industry life cycle (birth, development, maturity, senescence); technological changes.

Taking into account all these factors, the market of “Kominmet” enterprise products is characterized as perspective. Taking into account the transitional structure of national economics and the shortage of investment resources for its development, we should confirm that capacity of internal market of enterprise products is not wide. So, more than 80% products of “Kominmet” enterprise are delivered to overseas markets.

Low price on the prepared products is basic advantage of “Kominmets” pipes which is below than world prices.

The disadvantages of enterprise products can be impossibility of satisfaction to the requirements of users in relation to the commodity type of prepared products. In addition, the technical state of gauge figures does not allow attaining the necessary geometrical parameters of pipes.

When implementing these requirements the increase of sales is guaranteed in this sector of market. The marketing analysis allows to re-done a conclusion that growth of sales at the market of distant foreignness will take place only at
perfection technology of production in the direction of satisfaction customers requirements.