

THE USAGE OF THE LCA METHOD FOR THE STRATEGIC MARKETING OF SCIENTIFIC-PRODUCTION CORPORATION “ISTA”

The existing structure of the corporation provides with the full circle of the storage batteries production: from receiving the raw material to the delivery of the complete product to the consumer. At each stage a strict control over the observance of technological processes and product quality is done. Nowadays, all kinds of starter lead-acid batteries are produced at the companies of the corporation - of different sizes and different capacities. They are maintenance-free batteries of Premium class - reliable and durable batteries with longer service life; low-maintenance batteries with improved characteristics and increased values of the starting current are of Standard class, and the batteries of Economy class - the traditional values of the rated capacity and discharge current of the starter, combining the simplicity of maintenance and excellent performance.

The most popular brands of the corporation are ISTA, OBERON, Stayer, Feon, Atlant, Armada, Tornado, Multi Tec, and Volta.

The high quality of the SPC “Ista” production (not more than 1,6 - 1,8% of the products may have manufacturing defects) is incorporated at every stage of the production process. Only high-purity materials, supplied by the reputable foreign partners, are used in the manufacture of battery components. Up to 96% of operations are automated on the assembly line. Permanent quality control of their implementation is also carried out automatically. Now the quality system of the factory "Ista" is preparing for the certification in accordance with ISO 9001.

Every year in Ukraine tens of thousands of batteries fail. The problem of their disposal is not solved which is very dangerous for the environment as the electrolyte and the heavy metal lead get into the soil and then into the groundwater, a source of drinking water. To solve this environmental problem, engineers of the SPC "Ista" together with the specialists of the concern "Varta" first in Ukraine have developed a unique recycling complex for utilization of the old batteries (REX). Its construction is being done on the territory of the plant "Ista-Center".

The disposal of batteries in this complex consists of several stages. First batteries are crushed under pressure to drain the electrolyte. Collected in a special container old electrolyte is sent for processing to one of the chemical industries. The second step is sorting the destroyed batteries into large and small parts. Further, large parts are sent to be melted in a shaft furnace to obtain lead, and small are sent to the short-drum furnace, sometimes called the rotor furnace. In order not to poison the

atmosphere harmful gases emitted in the process of melting enter the furnaces of thermal treatment and filters for dust removal. This complex is equipped with both domestic and German equipment of the firm Varta.

The commission of this complex, which is scheduled for May next year, will allow Ukraine to become home to Europe's first closed-battery production. After establishing the supply of batteries, exhausted their resources, REX will provide production capacities of battery factories with 80% of lead. By the way, the need for lead at the battery factory "Ista" is 20.6 thousand tons a year, which is equivalent to 50 thousand tons of old batteries. To interest the car owners in the delivery of the old batteries there will be collection points with the financial compensation or a substantial discount on the purchase of a new battery.

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IMPORTANCE OF MEASUREMENT OF CUSTOMER'S RETENTION RATE FOR SERVICE PROVIDERS

Firstly, it is important to start what retention rate is.

Retention rate: The ratio of the number of customers who retained to the number at risk

Every single managers know than it is cheaper to safe current customers that acquire new. Because lost customer requires additional investments in marketing and purchase inducements, such as rebates and discounts. These acquisition expenditures may offset revenues from customer purchases for a year or more. Retention is particularly important when the costs of acquisition are high. By some measures, even a modest improvement in customer retention can substantially improve the bottom line. For example, a study by Frederick Reichheld and W. Earl Sasser Jr. of companies in nine industries — from auto service to software — found that a 5 percent reduction in the rate of customer defection boosted profit by 25 to 85 percent. Those are huge profit improvements! Given the economic value of retention, it is surprising that companies do not give more formal and systematic attention to it. They spend heavily on activities that aim to acquire new customers and squeeze sales out of existing ones. They manage these activities intensely. They have advertising managers, sales managers, sales quotas, and even prizes for the people who open the most new accounts. Far less attention is given to the systematic management of customer retention, even though, if Reichheld and Sasser are correct, a dollar invested on the latter will pay higher dividends than a dollar spent on the former.