

- expanding of support staff and offering a separate subsection for the technical support of this particularly product (internet-banking) and systematic advanced training for support staff.

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## **MARKETING METHODS OF COMPETITIVE STRUGGLE IN THE RUSSIAN RETAIL INDUSTRY**

*Key words: competition, competitor analysis, competition, retail industry*

Over the last decade, a huge number of new companies which sale foodstuffs appeared in the industry of the Russian retail trade. Meanwhile, it's necessary to develop new ways to promote the products because in the fierce competition in the industry it's very difficult to keep the leading position. Features of large companies are: scale, a huge range of products, highly developed advertising, etc. It gives a lot of advantages to the customer and at the same time, increases competition among companies.

According to the rating agency "Expert RA" [1], in the ranking of the largest companies of Russia in terms of volume of implementation, the leading retail chains are: "Magnit" - retail chain, X5 Retail Group, "Auchan", "Dixy Group", "Metro Cash & Carry", "Lenta", "O'Key Group". To improve the competitiveness companies are using various ways of stimulating product sales. In practice methods of price and non-price competition are used. [2]. It is believed that the most effective methods are the methods of price competition, but if such methods are preferred by customers, it's not the best method for the companies.

On the part of the price competition, recently method of price reduction as so-called " promotional actions" for various goods is successfully used, as well as special offers such as "1+1" and the receipt of discounts by accumulating points on the "loyalty card". Currently the methods of encouraging of regular customers in the form of cards which can provide a permanent discount are very popular and in this case the price tag indicates the "special price". Such cards are widely used by the stores "Lenta" and "O'Key".

On the part of non-price competition much more similar methods exist. Moreover, marketers are constantly developing new methods to increase sales and are also improving the existing ones, as they are the most profitable for the company. Among the most popular methods we can distinguish such as "gift with purchase", shares "happy day", when on certain days shops carry out various promotional actions, make competitions with various prizes that are meant to attract the largest number of customers. According to experts, the most effective method is an advertising of goods, because when customer comes to the store he chooses a product which he has heard about or saw somewhere already. [3]. Retailers now actively develop mobile apps where customer can learn about current promotions. The most

common methods are window dressing and display of goods that must be sold on the shelf "at eye level". This method is used by all of the previously mentioned leading companies.

All these methods have positive and negative aspects, both for costumers, and for the main retail chains. Let's select them in the matrix (Fig.1)

<p><b>The negative aspects for the customer</b></p> <ol style="list-style-type: none"> <li>1) During the discounts and promotional actions which are organised by the shops the prices are not always really lower than they were before.</li> <li>2) Sometimes shops put discounts to the goods with almost ended shelf life. So the customer should always check it, especially if he doesn't plan to use the product at once.</li> <li>3) Shops can artificially raise prices for additional goods which are sold with the stuff on sale.</li> <li>4) Location of goods in the stores is organized in such a way to make customer go all over the store to find the "right" stuff.</li> <li>5) Also there is a possibility to take "unnecessary" stuff under the influence of advertising or attractive, but less valuable "gift for your purchase."</li> </ol>	<p><b>Positive aspects for the customer</b></p> <ol style="list-style-type: none"> <li>1) The opportunity to buy goods with a big discount.</li> <li>2) The opportunity to obtain the desired stuff as a gift.</li> <li>3) The opportunity to learn more about the favourite stuff.</li> </ol>
<p><b>The negative aspects for the company</b></p> <ol style="list-style-type: none"> <li>1) During the price competition part of the profit may be lost</li> <li>2) Sometimes it requires additional costs to organise raffles or contests</li> <li>3) If during various degustations and delivery of gifts for purchase customer doesn't like the gift, he will probably never buy it again. So those gifts won't be as valuable as they were before</li> <li>4) During various promotional actions the volume of sales may decrease because of the accumulated stock of the product from the customer</li> <li>5) It is necessary to plan the type and period of promotional actions in advance, considering of the interests of the customer</li> </ol>	<p><b>Positive aspects for the company</b></p> <ol style="list-style-type: none"> <li>1) Manufacturers can organize promotional actions with the purpose of advertising of a new product, while the retail chain does not lose profit</li> <li>2) Increase the attractiveness of stores</li> <li>3) The ability to sell products with almost ended shelf life without incurring losses</li> </ol>

Fig. 1 Matrix of positive and negative sides

Having considered all the ways of promotional sales it's necessary to point out that this method is now very popular. It's very important for both the consumers and the retailers. To retain the leading positions, companies should attract customers in different ways. For this reason these methods are developed and improved, as they can be used to study consumer preferences, other goods, as well as the dependence of the necessary shares on the season, day of the week. It is impossible to identify a specific, universal method of influence on buying choices. Price competition is closely linked to non-price competition, for example promotional actions organized by shops (price competition) are mostly known due to advertisement (non-price competition). Consumers and retail chains represent a tandem where they come to the

optimal conditions of cooperation by studying each other.

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### **FDI IN UKRAINE: STATUS AND CURRENT TRENDS**

*Key words: foreign direct investment (FDI), investment hunger, economic development, investment crisis, investment climate.*

In modern terms the growth in foreign direct investment (FDI) leads typically to the increase in economic and social development of almost all countries. In most cases, countries that are leaders in the inflow of foreign direct investments, have high rates of economic growth as well. As an example, we can consider the economy of China with the increasing direct investment in the 90s. The 20<sup>th</sup> century was the catalyst for economic development. Consequently there is an objective requirement to intensify investment in Ukraine to create a competitive economic system, to modernize and reconstruct the existing enterprises, providing innovation-oriented structural changes in the economy.

Foreign direct investment (FDI) is a capital investment due to long-term economic interest, which provide the investor to control the investee in order to obtain the income. According to the UN SNA, FDI are: company's primary investment, equity capital overseas, reinvestment, and internal corporate transfers. Under the current economic conditions, FDI has reached a very large volumes.

In terms of Ukraine, foreign direct investment is the most profitable one since it is of a great demand for developing countries. The reasons in he fact that it allows imlementing large and important projects; in addition new technologies (e.g. creation of production), new corporate governance practices etc. come to the country. Foreign direct investment in Ukraine would be able to reduce significantly "investment hunger" if their scale can be compared with foreign investments in other Central European countries, which have embarked on economic reforms almost simultaneously with Ukraine. However, in Ukraine this source of financing economic development is inadequate. We believe that foreign direct investment is one of the opportunities for Ukraine to alleviate the situation of the investment crisis.