THE EXTERNAL FACTORS INFLUENCE ON THE DEVELOPMENT OF MARKETING AND LOGISTICS SUPPORT FOR GOODS MOVEMENT

Introduction

In today's conditions, the growing number of production and trade chains are being created, which contribute to satisfying the needs of consumers, starting from the manufacturer and ending directly with retail trade enterprises. This, in turn, helps to avoid certain links in the goods movement system, thus influencing the final retail price.

For the effective operation of the production and trade chain, it is necessary to conduct marketing and logistics activities that will contribute to the balance of all market participants interests and creation of a modern goods movement system, oriented to the maximum satisfaction of the ultimate consumers’ needs. Also, marketing-logistics activity is the main tool for enterprises to achieve the necessary competitiveness, because rational purchases ensure a minimum of costs both in production and in trade. To assess the effectiveness of marketing and logistics support of the production and trade chain, it is necessary to determine the external factors that this support must meet.

There are almost no theoretical studies of the influence of marketing and logistics support’s external factors taking into account the competitive environment, the level of its functional efficiency, and peculiarities of the national economy and current situation.

Thus, the peculiarities and effectiveness of marketing-logistics activities of the production and trade chain, and the ways of further development are not defined, which determines the relevance of research.

The purpose, subject and research methods

The greatest interest in the formation of the marketing-logistics chain of goods movement is the study of the marketing environment. The marketing environment constantly presents surprises - sometimes new threats, sometimes new opportunities. It is vital for every enterprise to constantly monitor the changes
taking place and to adapt to them on time. The external environment is a set of active subjects and forces outside the enterprise affecting the possibilities of its successful cooperation with target customers. In other words, the external marketing environment characterizes the factors and forces that affect the company’s ability to establish and maintain successful cooperation with consumers. Not all of these factors and forces are always subject to direct management by the enterprise.

An enterprise is an open system and its development depends on the external environment (it is also called the general environment, the environment of indirect influence or a set of uncontrolled factors).

The external environment, or the indirect influence environment, acts not directly on each individual organization, but on all at once. This does not mean that their influence is less than that of the immediate environment factors.

F. Kotler believes that the external environment (macroenvironment) consists of six main factors: demographic, economic, natural, scientific and technical, political and cultural factors [1].

Environmental factors are most often classified into the following groups:
- Economic factors are related to the circulation of money, goods, information and energy.
- Political factors influence political views and divide people into separate political groups and relate to the activities and decision-making of local authorities and government.
- Social and demographic factors affect the level and life expectancy of people, as well as set their value orientation.
- Technological factors correspond to the development of technology, equipment, tools, processing and manufacturing processes of products, materials and technologies.
- Competition includes factors that reflect future and current actions of competitors, changes in market shares, and concentration of competitors.
- Geographical factors are linked to location, topography, climate and natural resources (in particular, minerals).

Such a classification can be used to provide orientation in the issue under consideration. However, the processes that take place in the external environment are very complex, interrelated and contain many contradictions, as a result, all these processes must be carefully and systematically studied.

There is a fairly large list of classifications of the external environment components. The following are the main directions and factors, according to which the analysis and forecasting of the main trends in the macro environment can be carried out to the greatest extent, since it is not possible to limit oneself to the existing situation ascertainment. The external environment factors have a certain interrelationship, comprising the extent to which a change in one factor
affects other components. It is necessary to identify the main tendencies, the mutual influence of these factors and build their development trends.

Table 1 presents groups of factors characterizing the external environment general condition.

**Table 1. Factors of the external environment general condition (own development)**

<table>
<thead>
<tr>
<th>Name of the factor</th>
<th>Characteristics of the factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of the economy and markets (economic factors)</td>
<td>- the character of the economy and economic processes (including inflation or deflation);</td>
</tr>
<tr>
<td></td>
<td>- the taxation system and the quality of &quot;economic legislation&quot; (including the possibility of exporting profits);</td>
</tr>
<tr>
<td></td>
<td>- the economic support scale for certain industries (enterprises);</td>
</tr>
<tr>
<td></td>
<td>- the general national market conditions;</td>
</tr>
<tr>
<td></td>
<td>- scale and rates of market growth or decline (in general);</td>
</tr>
<tr>
<td></td>
<td>- scale and growth rates of segments in accordance with the company's interests;</td>
</tr>
<tr>
<td></td>
<td>- the stock market conditions;</td>
</tr>
<tr>
<td></td>
<td>- investment processes;</td>
</tr>
<tr>
<td></td>
<td>- bank interest rates;</td>
</tr>
<tr>
<td></td>
<td>- the pricing system and the level of centrally regulated prices;</td>
</tr>
<tr>
<td></td>
<td>- the cost of the land</td>
</tr>
<tr>
<td>Government activity (political and institutional factors):</td>
<td>- stability of the government;</td>
</tr>
<tr>
<td></td>
<td>- state policy of privatization/nationalization;</td>
</tr>
<tr>
<td></td>
<td>- state control and regulation of enterprise activity (in general);</td>
</tr>
<tr>
<td></td>
<td>- the level of protectionism (in general);</td>
</tr>
<tr>
<td></td>
<td>- increase/decrease in the importance of the government as a customer;</td>
</tr>
<tr>
<td></td>
<td>- international agreements with other governments;</td>
</tr>
<tr>
<td></td>
<td>- government decisions regarding support for certain branches of enterprises (priorities);</td>
</tr>
<tr>
<td></td>
<td>- requirements for ensuring the employment level;</td>
</tr>
<tr>
<td></td>
<td>- state policy regarding the provision of resources to certain industries and enterprises;</td>
</tr>
<tr>
<td></td>
<td>- the level of state structures corruption;</td>
</tr>
<tr>
<td></td>
<td>- the economic freedom level of the state (according to international assessments)</td>
</tr>
<tr>
<td>Structural trends</td>
<td>- the structure of the national economy branches;</td>
</tr>
<tr>
<td></td>
<td>- new industries emergence;</td>
</tr>
<tr>
<td></td>
<td>- reducing of &quot;obsolete&quot; industries activities;</td>
</tr>
</tbody>
</table>
- the influence of the international division of labour on certain industries and enterprises activities (including the influence of antimonopoly legislation);
- changes in the optimal enterprises’ size

<table>
<thead>
<tr>
<th>Science and technology trends</th>
</tr>
</thead>
</table>
| - "technological breakthroughs" (where exactly);
- reduction or extension of the technologies "life cycle";
- specific weight of science-intensive industries and products;
- requirements for the production scientific and technical level, ensuring competitiveness;
- requirements for the personnel qualification of high-tech industries;
- requirements for the scientific and technical level of competitive products |

<table>
<thead>
<tr>
<th>Natural and ecological component</th>
</tr>
</thead>
</table>
| - natural and climatic conditions;
- territorial placement of minerals and natural resources;
- placement of large industrial and agricultural centres;
- legislation on economic issues (possibility of changes and restrictions caused by them);
- the ecological environment condition and its impact on production |

<table>
<thead>
<tr>
<th>Tendencies of resource provision</th>
</tr>
</thead>
</table>
| - the structure and availability of national resources;
- import/export;
- the level of resources scarcity consumed by existing enterprises;
- availability of resources (prices and transportation costs) |

<table>
<thead>
<tr>
<th>Demographic trends</th>
</tr>
</thead>
</table>
| - the number of potential consumers (population structure, changes in individual groups and their incomes);
- available and potential workforce;
- qualification characteristics of the workforce (quality of the workforce) |

<table>
<thead>
<tr>
<th>Social and cultural component</th>
</tr>
</thead>
</table>
| - support or mistrust of private business;
- relations "enterprise - public organizations";
- "economic nationalism", attitude towards foreigners;
- trade union activity and the influence of trade unions on the public opinion formation |

<table>
<thead>
<tr>
<th>International environment (by individual countries)</th>
</tr>
</thead>
</table>
| - the structure of the country's economy;
- nature of income distribution;
- average salary level;
- cost of transport services;
- inflation and bank interest rates;
- currency exchange rate relative to the partner country;
- GNP level;
- the level of taxes |
There are also other factors that are not purely economic in nature, but they should be taken into account: the number and density of the population; professional level and level of literacy; quality and quantity of natural resources; level of technology; features of competitive struggle.

All separate components of the external environment are interconnected, that is, changes in one part (for example, political or economic) lead to significant changes in others (for example, socio-demographic or legal). The degree of influence depends, as a rule, on the size and branch affiliation of the enterprise, territorial location and quality of management, etc. In this regard, each enterprise should find out for itself which of the external factors have the most significant impact on their activities, on the marketing and logistics support of goods movement, and carefully study them. This reflects the external environment complexity. As mentioned above, the most expedient approach to the general external environment study is a systematic approach, which makes it possible to monitor not only changes within individual components, but also their mutual cross-influence.

When building a system of factors for the external environment analysis, the following properties must be taken into account:

- interrelation of factors characterized by the force with which a change in one factor affects other external environment factors;
- the complexity of the factors system affecting the organization determined by the number, variety of connections and consequences of influence;
- dynamism and mobility, i.e. relative speed and different rates of environmental factors changes;
- uncertainty of information about the environment and its accuracy.

It should also be taken into account that the interaction of organizations or individual enterprises with the environment has a certain specificity: particular components of the environment have different effects on separate enterprises. The degree of influence depends, as a rule, on the size and branch affiliation of the enterprise, its territorial location and quality of management, etc. The main conclusion here is as follows: each enterprise should find out for itself which of the external factors most significantly affect their activity, and carefully study them. Sometimes it is advisable to use quantitative estimates of the individual components influence of the environment on the activities of a specific country enterprises. However, it is not enough just to determine the impact of the environment on the organization or enterprise, it is important to form certain "responses" to this impact.

Each component of the external environment can be studied and analysed in various ways: for example, building scenarios and economic-mathematical models to identify the mutual influence of the specified factors, etc.

In order to effectively study the state of a separate external environment component, as a rule, a special system is created aimed at the external environment
monitoring carried out through special observations. The most generalized methods of observation are:

- analysis of materials printed in periodicals, books, and information publications;
- participation in trade union conferences;
- analysis of the organizations’ experience;
- studying the opinions of the organization’s employees;
- conducting meetings and discussions within the organization.

The enterprise exists with the environment factors affecting its further development. All such factors can act positively or negatively. Factors of the external environment contribute to the development opportunities of the enterprise or threaten its activity. The external management strategy is to constantly maintain the balance of the enterprise’s relationship with the external environment to ensure long-term existence.

Strategic balance is a certain combination of factors that negatively and positively affect the enterprise’s activities (threats and opportunities), objectively existing in the enterprise’s external environment and are subjectively assessed by managers, with relative strengths and weaknesses in the enterprise’s functioning. It should be noted that the greatest threats arise when the negative development of the environment situation is imposed on the enterprise’s weaknesses.

Each subject of entrepreneurial activity recognizes the general philosophy of development, that is, its general strategy, focuses its attention on the areas of capital investment, geographical location, the need to develop new markets, and prospects for production development.

The enterprise’s ultimate goal in market conditions is to make a profit. Therefore, it is very important during strategic planning to take into account all factors and aspects of further development in order to fully and reasonably determine the amount of profit and ensure a certain level of profitability. At the same time, during strategic planning, we have a number of features, specific aspects that must be taken into account for financial support, primarily, for the enterprise’s sustainable development.

Strategic planning is an integral part of strategic management. The process of strategic management consists of several interrelated stages. A well-grounded, correctly formulated mission has real value for the enterprise activity and directly for the marketing and logistics chain of goods movement, because:

- forms the views of the top management regarding the long-term plans of the enterprise;
- reduces the risk of limited management and making unfounded decisions;
- expresses the organization goals and serves as an incentive for employees to conscientiously perform their work;
- helps middle managers to formulate tasks, goals and aspirations of the department, to combine the main policy of the departments with the policy and development trends of the entire company;
- facilitates the preparation of the enterprise for future activities.

While defining goals, there arises the problem of choosing the priority ones. Although both financial and strategic goals have the highest priority, difficulties come up when a choice must be made between actions aimed at improving short-term financial indicators and efforts to strengthen the company’s position in the long term.

After enterprises’ mission and goals been formed, one should proceed to the analysis of the external environment in order to identify strengths and weaknesses. At the same time, it is advisable to consider the external environment from the point of view of its division into the micro- and macro-environment with the existing internal and external factors influencing the enterprise's activities.

The factors of the macro environment (external) are given in table 2.

### Table 2. External factors of the enterprise (own development)

<table>
<thead>
<tr>
<th>General economic</th>
<th>Market</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in national income volumes</td>
<td>Change in the domestic market capacity</td>
<td>Political situation</td>
</tr>
<tr>
<td>Demographic trends, inflation</td>
<td>The level of monopoly in the market</td>
<td>Natural disasters</td>
</tr>
<tr>
<td>The taxation system</td>
<td>The financial market conditions</td>
<td>Criminogenic situation</td>
</tr>
</tbody>
</table>

Systematization and analysis of the received data will make it possible to determine a set of alternatives, options, methods, and means of achieving the set goals. In order to choose a general strategy, an analysis of strategic alternatives is carried out, passing them through various limitations (resource, legal, social, moral and ethical, and others).

The formation and implementation of the general strategy is based on the interconnection of different types of strategies (Fig. 1).
The formation of the production strategy is very closely intertwined with the production function. It can be said that the production function is the main or prerequisite for the formation of a production strategy. According to the economic dictionary, the production function is an economic-mathematical method of analysing economic activity at both the macro and micro levels, which makes it possible to forecast the economy and identify ways to improve production efficiency. The production function method makes it possible to establish a functional relationship between the costs of production factors and results (products).

The financial strategy is inextricably linked with the general strategy. Financial strategy should be understood as the formation of a system of long-term financial and economic activity goals and the choice of the most effective ways to achieve them, taking into account the trends in the financial market development. The system of strategic goals of the enterprise financial development should be formed clearly and concisely, reflecting each of the goals in specific indicators - target strategic standards. In the role of such standards for certain aspects of the enterprise's financial activity can be:
- average annual growth rate of own financial resources, which are formed from own sources;
- the minimum value of equity in the total amount of the enterprise’s used capital;
- profitability coefficient of the company's equity;
- ratio of tangible and intangible assets of the enterprise;
- the minimum amount of monetary assets that ensure the enterprise’s current solvency;
- the minimum level of investments self-financing;
- the permissible level of financial risks in terms of the main areas of the enterprise’s economic activity.

The most responsible in the formation of the company's financial strategy is the development of a financial policy, which is a form of the company's financial ideology and financial strategy implementation in terms of financial activity most important aspects at separate stages of its implementation.

The system for ensuring the financial strategy implementation envisages the formation of various responsibility centres at the enterprise; determination of the rights, duties and responsibilities of managers for the results of their activities; developing a system of motivating employees for their contribution to improving the efficiency of financial activities, etc.

The evaluation of the elaborated financial strategy is the final stage of the company's financial strategy development and is carried out according to the following elements:
- coordination of the company’s financial strategy with the general development strategy. In the process of such assessment, the degree of coherence of the directions’ objectives and stages in the strategy implementation is revealed.
- coordination of the company’s financial strategy with forecast changes in the external financial environment. In the process of such assessment, it is determined to what extent the developed financial strategy corresponds to the forecast development of the country’s economy and changes in the financial market situation in terms of its individual segments.

- internal financial balance of the strategy. When carrying out such an assessment, it is determined to what extent individual goals and target strategic norms of future financial activity are agreed upon; to what extent the measures to ensure its implementation are mutually agreed upon in terms of direction and time.

- effectiveness of the developed financial strategy. The financial strategy effectiveness can be assessed primarily on the basis of projected calculations of the main financial coefficients system. The non-financial results of the developed financial strategy implementation for the growth of the company’s business reputation (goodwill) can be evaluated at once. As well as raising the management level of structural units’ financial activities (when creating responsibility centres); increasing the level of material and social satisfaction of financial managers (due to an effective system of material incentives for the financial activities results; a higher level of technical equipment of workplaces).

The social strategy of the enterprise is a general line covering a system of measures in the field of social development and environmental protection as components of the management system. The social strategy is aimed at achieving goals in the field of creating normal working and recreation conditions for employees, guaranteeing safety at work, while commuting and at home, meeting and developing the needs of employees, strengthening their health, and preserving the ecosystem.

The degree of enterprise’s social strategy implementation is determined by certain indicators that depend on many factors: the nature of the production units, the technology complexity, the enterprise location, its difficulty, the geographical location of the enterprise, and the average age and the number of employees, their demographic characteristics, and so on.

According to the integration approach, the enterprise is considered as a relatively stable, integral and independent socio-economic system limited from the surrounding environment, which integrates the processes of production and resources reproduction in space and time. In a certain sense, this approach reflects all aspects of the company’s activity, which form the basis of the four concepts of the firm theory discussed above.

The main connecting link between the processes of production and reproduction and the real state of the enterprise is its potential as a set of resources and opportunities that determine the expected characteristics of the enterprise’s development under certain changes in the environment. According to this definition, the main task in making management decisions is the distribution of
the company’s resources and efforts between capacity building and its use, recovery and production, and the actual and future state of the company.

In the conditions of market economy, the process of resource provision of the enterprise’s activity takes the form of a procurement process. For the supplier, this is the final stage of the reproduction process; for the consumer this is the stage at which financial resources and monetary capital are transformed into one of the production process elements. The company’s activities are aimed at studying the market situation in order to ensure the entire production process with the lowest costs.

The importance and influence of resources on the enterprise efficiency is determined by the role played by one or another resource in achieving the goals of the enterprise (for example, oil for an oil refinery, catalysts for chemical production), the possibilities of its substitution, the influence of certain resources’ prices on the efficiency indicators of the enterprise.

An equally important task for the profitable operation of the enterprise is the selection of the optimal variant of the nomenclature (goods, services). At the same time, the following factors should be taken into account: stability of demand for the given type of products; elasticity of demand in terms of supply volume and price. The possibility of constant supply of raw materials, materials, electricity; elasticity of supplies at the price of raw materials and energy payment; elasticity of the resources’ price supplied to the enterprise to the needed volume; intensity of competition in the market of this product; financial condition of the enterprise.

When analysing these factors, the following should also be taken into account. If the demand for the bases and groups of manufactured products is constant and the supply of raw materials, electricity, fuel, and components, etc. is also regular, then the only uncertain moment can be competition. If there is no fierce competition, then it is advisable to expand production while maintaining the structure of nomenclature groups.

If the demand or supply for some groups is constant, but it fluctuates for others, then it is advisable to carry out a nomenclature shift towards the reduction of unstable nomenclature groups. If there is fierce competition with constant demand and uniform supplies, then it is advisable, while preserving the structure of the manufactured products, to focus on reducing production costs and horizontal integration with the same type enterprises.

Such factors as the elasticity of demand and supply (that is, the complex dependence of the demand volume on the volume of goods offered), the elasticity of demand from the price (complex dependence of demand on an increase in price) and similar indicators of the raw materials supply (the growing dependence of demand on the order volume), serves to clarify the list of measures recommended for the normalization of the company’s products supply and sale.

The technological factor has a special influence on the activity of the enterprise. In general, the choice of technology does not belong to the sphere of
economic tasks, but it is closely related to the economic and social policy of the enterprise. The level of costs, the volume of production, the quality of products and their prices largely depend on the technology. In addition, the level of technology progressiveness affects the rating of the enterprise, the prestige of its brand. An important role for the enterprise is played by the technology transformation potential, which consists in the possibility of its modification into a better one from the standpoint of saving processed resources, labour costs, funds and time for production. Technical re-equipment of the enterprise is, as a rule, a complex process that disrupts the integral system of internal and external functioning of the enterprise. The shorter its duration and cost, the greater the chances of maintaining and improving the company’s competitive status. Therefore, when making a decision to improve technology or switch to a fundamentally new technology, it is necessary to determine in detail when and what amount of costs should be incurred in the process of changing the technological method of the enterprise.

An important place in the enterprise activity should be given to social factors, which serve as a kind of filter through which other factors are passed. The social factor at the current stage of economic development is one of the most important. Radical socio-economic transformations of recent years have almost completely destroyed what was created over decades.

Depending on the type of enterprise, its potential, the selected product and market policy, certain social tasks are selected. The company’s labour resources (personnel) require appropriate management skills:

- the formation of a personnel system that takes into account the nature of the "human resource", developing and changing professionally, influencing the development of the entire enterprise;
- formation of a specialists training system focused on the specifics of the company’s activities and development trends;
- formation of effective communications based on positive relations both inside and outside the enterprise;
- compliance with the current legislation on the labour relations regulation.

Under the market economy conditions, the enterprise becomes the main chain of the entire economy. The fact is that it not only manufactures products that are in demand on the market, but also creates jobs, provides employment for the population, calculates wages, etc. By paying taxes, it participates in the maintenance of state bodies and support of social programs (education, culture, etc.).

Each enterprise independently decides how many goods to produce (services to provide), where and how to sell them, and how to distribute income. On all these issues, they make decisions in accordance with their interests, being responsible with their property for mistakes or wrongly taken actions. The enterprise interests are the provision of a sufficient standard of living (in the form
of wages and satisfaction of social needs) for its workers, as well as the dynamic and stable development of the enterprise’s production base and payment of appropriate taxes.

**Results of the research**

The external environment is a set of factors that shape the long-term profitability of the enterprise and on which the enterprise cannot influence at all or has little influence. The external environment is affected by a number of factors that can be divided into several groups. According to the integration approach, the enterprise is a relatively stable, integral and independent socio-economic system limited from the surrounding environment, which integrates the processes of production and reproduction of resources in space and time. In the marketing-logistics chain of goods movement, it is important not only to determine these factors, but also to investigate their impact on the company’s activities.

**References**

2. Бондаренко В. Формування взаємозв'язків маркетингу та логістики в підприємницькій діяльності. Електронний журнал «Ефективна економіка». № 7, 2015.

**Abstract**

In this study, special attention is paid to the external factors influence for the mutual coordination of the enterprises’ capabilities and goals, the development of marketing and logistics support for the movement of goods. That is why enterprises of all business spheres should first of all take into account the formation of effective marketing and logistics support for goods movement. A classification overview of the external environment factors was conducted. Groups of factors that characterize the general state of the enterprise’s external environment are presented. The author justified the need to study and analyze the external environment components in various ways: for example, building scenarios, economic-mathematical models to identify the mutual influence of the specified factors, etc. The interrelation of the company's strategies by areas of activity with the aim of developing marketing-logistics support for goods movement is proposed.

**Keywords:** marketing, marketing and logistics chain, enterprise, goods movement

**JEL Classification:** M31, E00