# Marketing and Managerial Competitiveness in Modern Organizations

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#### Abstract:

The article is devoted to test the authors' approach to highlight, identify and use the marketing potential of consumer flows as a systemic factor to optimize the activity format of a modern catering enterprise and to increase its efficiency.

The authors' concept of stream marketing interaction is a branch marketing development aimed at increasing the sustainability of the operating activities of catering enterprises based on the mobilization of marketing potential.

**Keywords:** Trade marketing and catering marketing, stream marketing interaction, marketing strategy.

JEL Classification Codes: D10, D11, D30, D39.

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#### 1. Introduction

The catering industry is characterized by a wide variety of forms and types of enterprises created to meet the diverse nutritional needs of the population. Catering enterprises' goals are developed, first of all, in accordance with consumers needs: some are created to meet the needs of the population only in nutrition area, others to meet both physiological nutritional needs and cultural needs of the population for rest and leisure. Not less important for planning objectives, tasks and mission of the company is the size and format of a particular enterprise. The issues of theory and methodology in the framework of specifics of services provided are particularly important in modern conditions of constant need in an effective management system for the development of public catering enterprises. Today there is a need in new approaches that meet the current conditions of the catering market in Russia.

The study of possible solutions of the existing problems will help to create a sphere of public catering functioning the most efficient way. It will allow such a significant economic sphere of human activity to develop dynamically in a constantly changing highly competitive environment. In modern economic literature, the problems of modern catering enterprises management are of special attention of both foreign and Russian scientists.

The relevance of the research is determined by the increasing need to find new approaches and effective mechanisms for the development of the marketing management system of catering enterprises of modern formats that operate in developing markets (Salimova and Makolov, 2016). The experience of the market activities of enterprises in this sphere shows that it is impossible to solve the problem of increasing competitiveness without activating marketing and creating an effective marketing management system (Kuznetsovaa *et al.*, 2017; Bondarenko *et al.*, 2017).

# 2. Approaches to the implementation of marketing and managerial competitiveness

Depending on the degree of regularity of satisfying the need for food, both single impulsive consumer behavior with unstable parameters, creating a volume of random demand in the local market, and group consumer behavior which is more or less rational, with stable / similar parameters and which is the basis of the consumers flow. This flow creates a significant amount of competitive and loyal demand in the local market.

The stream organization of marketing interaction requires the presence / creation of the target group of catering services consumers, the initiation group. Making active the initiation group and the target group of consumers should result in the flow of consumers - a combination of final / intermediate consumers whose consumption is

typical and who demonstrate similar consumer behavior in terms of choosing, purchasing and consuming foodstuffs and catering services.

Quantitative characteristics of the consumers flow characterize the current consumer behavior according to the following key aspects: the volume of the consumers flow: the number of consumers, the number of transactions, the total cost of transactions; analytical indicators of the flow: an average bill of the flow (the average cost per transaction), the number of transactions per customer, an average bill per customer; the structure of an average bill (one transaction, one buyer): sales of basic services and products, sales of additional services and products, other sales; structure of the consumers flow by subflows of loyal, rational, random customers with the quantitative characteristics of each of the components of the total flow; the flow structure in terms of the variability of the average check (uniform flow, dispersion); time characteristics of the consumers flow (time of initiation, time of activity, time of termination); consumers flow frequency; share of consumers flow in the total number of the target group in the local market.

Planning the creation / modernization of the current format of the catering enterprise activities, taking into account the marketing characteristics of consumption flows (existing and prospective), ensures maximum accuracy of the choice of the following essential parameters of operating activities: production capacity, service technology, operating mode over time, initial / prospective sales structure (both in a flow and flow-free forms, by loyalty factor), average bill (total, detailed by streams, detailed by loyalty).

The main directions of marketing activity of a public catering enterprise for initializing and using the marketing potential of consumer flows should be incorporated in the combination of strategic, operational and tactical formats of marketing interaction in local markets.

The author considers that the management strategy for initiating and using the consumer flows marketing potential in a catering business includes creation and development of the customer base through the conversion / initiation of consumer flows, continuous implementation and optimization of marketing impacts as a part of the marketing mix, focused on using the potential of flow consumers, as well as integrated marketing control of some elements of the corporate marketing mix and its integrated performance / efficiency, as well as the continuous search for opportunities for scaling / expansion of the developed business model to adjacent geographic / industry markets.

# 3. Features of marketing influences in the consumers flow

It is useful to highlight the following main characteristics and distinctive features of the integrated system of marketing activities of a modern catering enterprise format in the author's vision and understanding of this system. The formation of the content and communication component of the marketing management system of any enterprise is significantly influenced by the complex content of the marketing process, which is characterized by a number of components of its separately functioning elements that are closely interrelated with each other.

In the modern economy the transition of public catering companies to progressive management methods is associated with a network approach to the organizational structure of companies. The transition to the network structure, in our opinion, involves, first of all, a conceptual change in the company's mission, and the vector of changes is aimed at adjusting strategic priorities. Then, restructuring and reengineering of the company's activities mechanism, and, consequently, the adjustment of the company's management system as a whole and marketing management as its element, is necessary.

Information is becoming increasingly important in all areas of the enterprise activity. Management based on information provides for identification of quantitative proportions and dependencies between market phenomena and the factors that influence them. A deep analysis of incoming information flows and the implementation of strategic marketing planning based on the conclusions and recommendations obtained at the analysis stage are required. In accordance with the strategic marketing plan, the structure of the marketing mix is clarified, a system of indicators for evaluating marketing activity is developed, the values of these indicators are predicted, and then the assessment of actual and predicted indicators is performed.

The increase in the volume and quality of information for consumers stimulates the development of technologies of integrated marketing communications for the globalization of markets through unified technologies that can be integrated into the global communication space. It promotes the development of integrated concepts in a promotion system based on targeted marketing, which pushes consumers to interact with the company, which becomes a strategic benchmark for the development of personalized communications.

The combination of tools, methods and technologies in the field of an integrated marketing system, in turn, will lead to the emergence of new conceptual models that will enhance communication in marketing, and at the same time make their management more complicated.

The management of a strategically oriented marketing system includes regulation of market stability through the policy of marketing communications, including its internal corporate directions, using all elements of marketing. The marketing management system is created on the basis of the analysis of the research results of the internal environment of the enterprise, its macroenvironment, consumer behavior and other microenvironment factors that determine the dynamics of demand to meet

the existing consumer demands and attract potential customers, and their subsequent conversion into regular (loyal) customers.

The author's approach to the modernization of the organizational and economic support of the marketing activities of modern catering enterprises includes the following elements:

- 1. Consideration of the consumers flow as a field of marketing opportunities of modern catering enterprises;
- 2. Characteristics of the consumers flow as a systemic factor in optimizing the format of a modern catering enterprise activity;
- 3. Marketing characteristics of the flow of consumption as a concentrate of group consumer activity of the target group;
- 4. Specificity of the algorithm of choice / modernization of the format of the public catering enterprise based on the marketing characteristics of the integrated consumers flow;
- 5. Key directions and content of marketing activity of a public catering enterprise for initialization and use of the consumer flows marketing potential;
- 6. Managing the initialization and use of marketing potential of consumer flows in a catering business.

Let us note the following essential points that distinguish the author's approach from the existing and widespread scientific and applied views in terms of the possibilities of the non-streaming marketing interaction of catering enterprises with the target groups of consumers:

- the author's approach takes into account the possibility of using consumer potential in a group format of marketing interaction available for initialization in local markets of public catering services;
- the author's approach is focused on creating a systematic basis for a sustainable and break-even operating activity of an enterprise in the catering industry in the form of a consumer group that is solvent and responsive to tactical marketing influences, demonstrating a unified consumer behavior while simultaneously being in a typical consumption situation;
- the author's approach takes into account the need for an applied use of the principle of systemic marketing cost savings in terms of risk and uncertainty of the outcome of specific marketing impacts, determined both by the structure and intensity of these impacts, and by systemic factors of consumer behavior (rational and irrational).

## 4. Results

An overview of the public catering market in Krasnodar revealed the main industry problems: the uneven distribution of public catering enterprises in the city; high degree of similarity of the services provided. The results of the study show that in

modern conditions one of the most effective tools for increasing the attractiveness of catering enterprises in Krasnodar are: the development of a food culture outside the home; an increasing number of various types of modern catering enterprises, based on both price affordability and territorial accessibility for the population; offering to the consumer a unique value embodied in goods and services.

To achieve the goals and objectives of the research, we conducted a marketing study of consumer behavior when choosing a catering enterprise. The purpose of the study is to determine the range of consumer's stimulus to choose the format of the catering enterprise. To ensure the accuracy of the study is not lower than the generally accepted level, the volume of the sample is taken equal to 200 catering enterprises visitors. The period of the marketing research is from April to May 2018.

The results of the study show that there is no universal single factor that determines the choice of a particular catering enterprise by a resident of Krasnodar. Such factors as the interior, the atmosphere of the place and even the proposed dishes are not decisive in case the consumer has to meet the need for food. On the contrary, if respondents choose a place for a family celebration, then such factors as the assortment of the bar, the menu, the cuisine and the pricing policy become decisive, and all the others do not have a decisive impact.

Respondents pay attention to and are influenced by various factors depending on the purpose of their visit to a catering enterprise. According to the respondents an "ideal" place is a cozy cafe, with muffled music, affordable prices and delicious cuisine. Almost all respondents agreed that the professionalism of the staff and the level of service in cafes and restaurants of the city is a very important factor influencing the customer loyalty. The least popular format of catering enterprises is an anti-cafe.

However, in our opinion, it is necessary to pay attention to the attitude of the respondents to discounts and promotions, the majority of respondents noted the significance of these factors as one of the crucial stimulus for choosing the format of a catering enterprise for heaving a meal or spending leisure time. Thus, we believe that in the economic crisis conditions the active use of these elements of the communication policy of catering enterprises of modern formats will provide additional visitors, increase customer loyalty, form the company's image and thereby strengthen its competitive position. In this regard, it is necessary to search for a new approach to organizing communications with the external environment, in order to inform potential customers and develop their demand.

The results of the study provide us with the necessary information for choosing a vector in creating applied aspects of the catering market development in Krasnodar.

#### 5. Recommendations

The study resulted in the following suggestions. We consider the project of creating a mobile application - a discount generator of catering enterprises of Krasnodar - to be a promising direction for improving the management efficiency of the marketing activities of catering enterprises of modern formats based on the introduction of innovative marketing technologies to initiate consumer flows.

The business idea is to create a marketing innovation - a mobile application that aggregates all promotions and discounts for catering enterprises in Krasnodar. This innovation is aimed at meeting the needs of consumers (visitors to catering enterprises of modern formats), which meets current market trends and promotes the development of relations between enterprises and consumers within the framework of the relationship marketing concept.

The project partners will be catering enterprises of various formats operating in Krasnodar, that regularly offer discounts to their visitors or conducting promotions and interested in promoting their services, creating demand for their services and distributing information about promotions and discounts to the general public. The residents and guests of Krasnodar will act as clients, that is visitors of catering enterprises of various formats, with the expected initiation and active marketing interaction with consumers based on streaming technologies of continuous communication interaction.

Judging by calculations the project is cost-effective if implementing the above conditions. Thus, net present value (NPV) is an estimate of the current value of the future income flow. In our project, its value is positive and in the course of three years it will be 3035563.5 rubles, therefore, the economic efficiency of the implementation of our proposed project is projected at 197.2%.

In addition to the profit received by the project investor, it is assumed that the partners of our mobile application will receive additional profit as a result of an increased client flow due to the app usage. Moreover, this project involves social and additional economic effects, namely, getting benefits by consumers through savings on visits to discount catering enterprises. It is also necessary to stress the prospects for the practical implementation of the developed project into the marketing management system of catering enterprises in other cities of the region and Russia:

- the proposed project is suitable for any territorial units;
- the project implementation budget is adjustable and scaling depending on specific marketing objectives;
- project implementation contributes to the development of marketing management systems in the framework of the concept of integrated marketing communications and the concept of marketing interaction.

### 6. Conclusion

The implementation of marketing and managerial reserves for the growth of competitiveness of modern organizations in a streaming format of creating marketing interaction with target client groups allows overcoming the limits of the minimally economically efficient production volume and smoothing out the temporary fluctuations in demand typical of modern B2C markets.

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