MARKETING MANAGEMENT IN THE SERVICE SECTOR: BUSINESS PHILOSOPHY, RANGE OF TOOLS AND MODERN TRENDS

Since the role of modern marketing management is increasing every year, this article examines the essence of the philosophical understanding of the idea of marketing management at enterprises. Theoretical approaches and lines of use of marketing management in the service sector were studied. Areas of studies were identified, their directions in the context of the existing characteristics were outlined. It was established that marketing management is such kind of philosophy that puts a customer into the center of business strategy. It was grounded that human needs are in the basis of marketing relations. Concise list of marketing evaluations, which are taken into account while setting priorities of marketing management, was provided. Special attention was paid to conceptual points of marketing management, determination of its development tendency, particularly innovation, diversification of products, digitalization, establishment of virtual shops, increasing significance of providing services, etc. These tendencies are observed when orientation of impact of complex tools of marketing is changed due to situational involvement of consumer to individualization of relations in order to develop long-lasting interaction. It was emphasized that a service sector enterprise in the process of its activity needs to take into account exacted attitude of customers, their orientation towards creativity, development of cult of the youth, constant studying, etc.

Key words: business philosophy, marketing management, range of tools, concept, trends.

JEL Classification: M31, C81, O31

Formulation of the problem. The process of marketing management, in opinion of the most influential researcher of the primary stage of the marketing science, Wroe Alderson, consists «in bringing of either the existing materials or goods or services made of them into some compliance, on the one hand, and needs of households and individuals – on the other hand» [1]. Now the significance of philosophical comprehension of the processes in marketing management is increasing, because primal worldview accepted in society, as well as style of living and idea of a human within it are changing. Rephrasing G. Hegel one may state that philosophy is a certain epoch expressed in ideas [2].

Analysis of recent research and publications. It is impossible to provide to some extent full review of methodological achievements of philosophical science in the sphere of marketing and its management within the limits of the subject of the present article. We shall just note that from their spectrum both range of tools of the modern science and contribution of researchers of marketing management as such should be taken into consideration. Without any doubt, American school headed by P. Kotler is at the leading position in these issues [3]. Very concise review of foreign publications permits to highlight studies by J. McKitterick [4] as those most attractive for researchers. This issue in foreign theory was also studied by P. Drucker [5], K. Keller [6] and others. Opportunities of more comprehensive coverage of the history of development of marketing management have considerably extended on the account of substantial publications of the leading Ukrainian scientists M. Belyavtsev [7], I. Kovshova [8], S. Polishchuk & S. Vitchenko [9], V. Rossokha et al. [10], O. Tkac [11], D. Shtefanich [12]. Theoretical approaches of these authors differ in the main feature of comprehension of marketing management. They
study categories like process, management activity, system, tool, mechanism, function, etc. Orientation of these features impacts comprehension of the idea itself that rises certain range of issues for discussions. That is why it is expedient to examine modern theoretical approaches and determine their peculiarities according to the existing conditions.

**Formulating the purposes of the article.** Considering the topicality of the subject of the present article and extent of its coverage in scientific literature, based on the existing scientific achievements of scientific community, the authors set the purpose of making more profound analysis of opportunities of marketing management in order to reflect the development of economic science more adequately in its institutional and organizational aspect, i.e. particularly in the aspect, which was insufficiently studied.

**Presentation of the main research material.** The term «service» is defined as a work expedient activity, the results of which have a useful effect that satisfies any need of a person. It is useful not as a thing, but as an activity of a certain purpose. The service sector is one of the most flourishing branches of the economy of Ukraine with the highest potential. Securing development of enterprises of the service sector is an important task for the enterprises and also for the state and society in whole. Raising the effectiveness of activity of such enterprises in conditions of dynamic market environment is impossible without the use of various management elements, especially marketing management.

Modern notion «marketing management» is among the most frequently used notions. Thus, O. Shevchuk leans towards the idea that marketing management acts as the final stage of marketing process [13]. It is used in at least six meanings, such as: management philosophy; concept; art and science; system; process; function.

As for the management philosophy: any branch of research follows certain philosophy or set of prospects and principles that determine their matter. J. McKitterick, the president of the company «General electric», offered one of the first official definitions of marketing concept as philosophy of conduct of business in conditions of market relations, customer- and profit-oriented; and marketing – as integrated, customer- and profit-oriented philosophy of business [4].

Marketing management is implementation of marketing philosophy into business management. Marketing management includes market philosophy, strategy, tactics of thinking and acting of all subjects of market relations. It is dynamic, changing in accordance with sphere of its use, duration, parameters of external market environment and interests of target groups of consumers, which is effective only on condition that its use is complex and systematic [14].

Consideration of marketing management as business philosophy requires comprehension of first of all worldview, epistemological and methodological principles of philosophy in the theory and practice of marketing.

Let us consider worldview grounds of marketing management. Philosophy, like methodological principles that form the basis of certain science, assists in comprehension of phenomena that take place and patterns of interaction with external environment, by consumers in particular. Any activity carried out in order to satisfy human needs, which can be defined as acquisition, preservation and use of different benefits – tangible and intangible. If such benefits turn out to be desirable for a human, they transform into actualized need. When stimulus of the urge to satisfy this need passes through human consciousness, it transforms into push to action. These actions result in satisfaction of the need. The concept of marketing management is based on the theory of individual choice of customers following the principle of consumer’s priority. Marketing management is the kind of philosophy that places the customer in the center of business strategy. M. Belyavtsiev considers this notion as philosophy of management of an enterprise with help of basics of marketing, which include principles, methods, means, tools and forms of marketing management [7].

Marketing management covers all types of activities – from formation of a service to its production and distribution. Apparently, an enterprise cannot concentrate its attention on all types of activity, but it can select one specific marketing philosophy, like service concept or concept of its accomplishment.

In I. Petrovich’s opinion [15], the nature of marketing management is holistic and comprehensive that accords orientation of activity of an enterprise with market conditions, consumers’ needs and enterprise’s resources. This diversity of definition of marketing management is shown in Figure 1.

This is one of management and organization systems of development, production and provision of services aiming at getting profit through satisfaction of a consumer based on accounting of complex processes that take place on a market.

Different approaches make up methodological ground of marketing management.

The list of them is shown in Table 1.

<table>
<thead>
<tr>
<th>Methods of Research</th>
<th>Marketing Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality marketing researches, such as focus-groups and various types of interviews;</td>
<td>Business philosophy; concept; art and science; system; process; function.</td>
</tr>
<tr>
<td>Quantitative marketing researches, such as surveys;</td>
<td></td>
</tr>
<tr>
<td>Experimental methods, modeling, market testing;</td>
<td></td>
</tr>
<tr>
<td>Observation, such as ethnographic.</td>
<td></td>
</tr>
</tbody>
</table>

Marketing managers can also develop and control different processes of environmental scanning and competitive intelligence in order to carry out market-
Understanding of the marketing management process will permit to determine the role of marketing in economic development of an enterprise. Studying marketing management in the general case leads to better estimation of marketing activity in the context of effectiveness of satisfaction of customers’ needs.

The existing information resource of marketing management is a strategical resource of development of subjects of service market, because it secures effectiveness of activity on the account of operational management improvement and application of various scientific developments.

Marketing managers are responsible for appropriate positioning of a service and sales increase. It is associated with the fact that the role of a market specialist can considerably vary depending on size of business, corporate culture and industrial context. Thus, at small and medium-sized enterprises market specialist takes part in both management and marketing operations concerning enterprise’s brand. At large enterprises, which deal with provision of services, market specialist can commonly act as general manager of a service assigned for him or her. In order to create effective, economically sound strategy of marketing management, enterprises must have detailed, objective understanding of their own business and market, at which they work [16].

Understanding and comprehension of the worldview fundamentals of occurrence, existence and development of the needs permits to resolve key tasks of marketing, which are forecasting, servicing and satisfying consumers’ needs, raising the quality of their living.

### Table 1 – Approaches, on which marketing management is based

<table>
<thead>
<tr>
<th>Name of the approach</th>
<th>Essence of the approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conceptual</td>
<td>Business thinking, philosophy of business activity, complex of scientifically grounded ideas, systemized and planned direction of all functions of the enterprise to resolving the problems with business competition with maximal profit through satisfaction of consumers’ needs</td>
</tr>
<tr>
<td>Institutional</td>
<td>System with multiple elements, which interact with each other and with elements of external systems</td>
</tr>
<tr>
<td>Systemic</td>
<td>Consideration of processes as systems, combination of elements required for achieving a certain goal</td>
</tr>
<tr>
<td>Complex</td>
<td>Unity of organizational, economic, social, legal, psychological and other aspects of marketing management</td>
</tr>
<tr>
<td>Program-based</td>
<td>Development of marketing programs to fit each established by the enterprise goal in order to secure its achieving</td>
</tr>
<tr>
<td>Situational</td>
<td>Actions of manager of the enterprise, which depend on the state of internal and external environment (context)</td>
</tr>
<tr>
<td>Marketing-oriented</td>
<td>Enterprise’s focus on consumers and orientation to contributing into proper servicing for customers by each subdivision of the enterprise</td>
</tr>
</tbody>
</table>

*Source: composed by the author based on the following sources: Rossokha, 2014; Tkach, 2016*
The main goal of marketing management is not only to offer services, but also to satisfy consumers’ needs. In this regard marketing management is considered as the activity of studying customers’ profiles and prompting them to purchase services. This activity includes implementation of new services or advancing old ones, pricing, promotion of services, communication, etc., according to customer’s needs, which are changing.

Constant change of business environment and increase of the level of its uncertainty, emphasis on innovation and reliance on knowledge puts new demands on marketing management and forces to reconsider its role in enterprise’s management. In modern business specifically marketing management is the link between the consumer and the enterprise, which orients actions of all enterprise’s subdivisions to resolving the issues of establishment of consumer value and satisfaction of consumers. This results in increase of business effectiveness. Marketing management aims at reproduction of the holistic picture of the processes of creating and delivering values, which integrate interaction of an enterprise with different groups of stakeholders (both external and internal), because development of marketing theory and practice takes place in the direction of both advancement of existing marketing approaches and tools that have already become traditional and approbation of innovative range of tools.

Marketing management provides for goal-oriented coordination of all measures at an enterprise at the level of market and at the level of society in general. The following are elements of this process:

– marketing planning;
– organization of marketing process,
– coordination of activity of different subdivisions from the point of view of marketing goals;
– carrying out control and audit;
– stimulation of enterprise’s employees.

The area of activity of marketing management includes:
– development of marketing policy of an enterprise – basic and permanent principles of its market activities;
– development of marketing strategy – prospective marketing plan;
– development of marketing tactical programs;
– organization of management of marketing programs;
– organization of management of market relations;
– organization of current marketing process, etc.

The process of marketing management consists of the following succession of stages:

– analysis of marketing opportunities of an enterprise;
– selection of target markets;
– development of marketing complex for each target market;
– implementation of marketing activities;
– control of activity;
– analysis of the obtained results and making decisions on improvement of marketing management.

Regulatory influence in the system of marketing management can be oriented at objects, processes and functions. The following are objects of influence of marketing management: producer, goods, customers, resellers and competitors.

Processes influenced by marketing management, first of all, are: determination of enterprise’s policies (financial, investment, trade, product, and staff); formation of inter-relations (with suppliers, resellers, contact audiences and consumers); process of development and implementation of new service and so on.

Functions influenced by marketing management are as follows: planning; organization of certain activity; control and audit; analysis. In accordance with modern paradigm of marketing, we shall define current priorities of marketing management (Table 2).

Marketing evaluations can include the following:

– cost of one involved customer;
– leads, i.e. all potential customers, which interact with the enterprise via: calls, requests on sites, messages in online-chat, letters, SMS, etc.;
– conversion is current ratio of customer’s transition from one stage to another;
– Customer Lifetime Value – total sum of money spent by a customer during the period of his or her interaction with the enterprise;

Table 2 – Old and new priorities of marketing management

<table>
<thead>
<tr>
<th>Priorities of marketing management</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing exclusively at marketing department</td>
<td>Marketing is distributed throughout the enterprise</td>
<td></td>
</tr>
<tr>
<td>Product-oriented structure of the enterprise</td>
<td>Customer-oriented structure of the enterprise</td>
<td></td>
</tr>
<tr>
<td>All functions are carried out at the enterprise</td>
<td>Outsourcing and creation of interfirm interaction</td>
<td></td>
</tr>
<tr>
<td>Keeping old market positions</td>
<td>Search of new market positions</td>
<td></td>
</tr>
<tr>
<td>Focus on tangible assets</td>
<td>Focus on intangible assets</td>
<td></td>
</tr>
<tr>
<td>Retail sale of goods</td>
<td>Sale of goods online</td>
<td></td>
</tr>
<tr>
<td>Short term effect from marketing investments and activities</td>
<td>Long term effect from marketing investments and activities</td>
<td></td>
</tr>
<tr>
<td>Financial indicators</td>
<td>Marketing evaluations</td>
<td></td>
</tr>
</tbody>
</table>

Source: composed by the author based on the following sources: Shevchuk, 2013; Rossokha, 2014
– average check shows the extent of customers’ quality and enterprise’s ability to motivate them to buy for a larger amount.

Modern information technologies are used in marketing management at present. Scientific researches of such technologies are always topical in the prospective research directions, especially in Internet-marketing.

Particularly the development of network interaction most radically transforms the theory of marketing relations. That is why P. Drucker has referred to the economy of the future as «society of networks» [5].

With respect to external marketing environment it can be noted that dynamic change of tastes and preferences of those customers, who adhere to the principles of awareness of their own needs, has been observed lately. For that reason let us examine modern mainstreams of marketing management.

1. Retail in «eco» style. Customers now get an idea of a service, brand and shopping experience on the Internet. At enterprises they add to their experience and extend the idea of the service. Prefix «eco» becomes new high-precision tool of marketing specialists, a way of rising sales, in particular:
   – popularity of goods from the category «eco-friendly» (food, household chemicals) is rising, specialized shops are opened;
   – shops and catering facilities are designed in «eco» style;
   – new shops either don’t use packaging at all, or use organic and biodegradable packaging;
   – use of smart digital showcases.

2. While creating modern branding trends, developers:
   – use quirky style (chimeric);
   – tend to humanize;
   – extend color palette of a brand to various unusual colors and their combinations;
   – take the same position with regard to an important issue as their target audience;
   – consider the process of unpacking and transform it into unique experience.

The described tendencies evidence that movement towards personalization and interaction takes place in branding [17].

3. Communication trends take into account the following:
   – management of interaction with customers;
   – automation of marketing – Marketing Automation Solutions;
   – use of business analytics – Digital / Web / Marketing Analytics;
   – maintenance of platform for accumulation and exchange of data as to service consumers – Data Management Platforms, Customer Data Platforms.

One of the most rapidly growing industries at present is MarTech (Marketing technology). The aim of this technology is to assist marketing specialists in carrying out their work and facilitating their interaction with their target audience at each stage of familiarization of consumer with a service (comprehension, interest, attention, intention, evaluation, satisfaction [18].

4. Branding of future under influence of sharing economy or collaborative consumption and smart living economy. Using resources wisely is a trend that has been existing for several years already.

5. Increase of number of digital screens and interactive panels.

First of all, use of mobile advertisements – that is form of media Internet-advertisement, which applies images, flash, video and other technologies, placed near the content of mobile versions of Internet-resources in mobile applications and are displayed on mobile devices (cell phones, smartphones and tablets).

Possibilities of Internet today permit to organize streaming video in real time. It is content, received by users of a resource from provider in the same way as TV audience receives continuous broadcasting in digital or analog format, and which dominates in social networks. It should be noted that users watch such video three times longer as compared to recorded videos.

According to data from Record, world expenses for mobile video advertisements are going to rise for 49% in 2021, having reached the number of 18 billion USD. It is expected that the number of views of video advertisements on computers is going to fall, whereas views on smartphones and tablets will rise for 25% [19].

Explainer videos or explain business stories, which are sold, are short videos with simple and understandable description of a service. Explainer video is the main tool of presentation and promotion of a new service. Components of such videos allow consumers to imagine the service more vividly, without spending much time.

Chatbot is a program that imitates real conversation with a consumer. Such programs provoke users to ask questions and offer quick answers to the most popular of them. Chatbots that operate in real time mode offer users standardized answers to questions, which are more commonly asked. Although in the nearest future they will be able to select information for each specific user, who addresses them, more accurately. Messengers have ceased to be a simple means of communication and are becoming an effective marketing tool in B2C, B2B and even C2C.

Geozonation or geofencing is a technology that allows forming boundaries of territories and initiate various events, when a mobile device with special application installed passes them. For the present mobile gadgets have become another body part, without which many users can’t do. A smartphone is always at hand, at any time, wherever the users are. An average user accesses the Internet from his or her mobile phone 75 times per day, moreover, from different locations.
Total digitalization. For the present the demand for technological literacy has been increasing year after year. Whereas 5 years ago average age of the Internet users did not exceed 40 years, half of the people surveyed aged 45-54 applied for consulting or studied operation of mobile applications on their own. Besides, over a third of the surveyed aged above 55 study creation of online content themselves.

Omnichannel marketing is a type of marketing that provides for inseparable use of several communication channels for interaction with a consumer. The notion «omnichannel» itself implies all-channel, using all means of connection of a brand with a customer. To be omnichannel means to present coherent functioning of all channels of communication and influence on consumer. It allows controlling of each step of the customer, which is very important for every business.

The purpose of omnichannel marketing consists in improvement of interaction of business with the customer with help of combination of all communication channels at once within the framework of single strategy based on the benefits of the brand for the customer. This means that in case of omnichannel marketing all channels function together, in an integrated way, depending on each other. Such well-coordinated approach allows providing the customer with topical information about a service irrespective of the channel used. In as much as consumers change their behavior, marketing specialists should also respond to that. As differentiated from multi-channel omnichannel approach unites into a single whole various platforms and gadgets used by customer for interaction with the enterprise and can use them for the gained knowledge and creating complex perception.

Therefore, among the trends of the sphere of application of marketing management tools are: innovations, diversification of products, digitalization, creating virtual shops, increasing significance of providing services and so on. Today the world is characterized by rapid development of technology, Internet, the latest modernized technologies of provision of services. At the same time marketing does not fall behind the pace of such movement [20].

Marketing management at Ukrainian enterprises is a system of different types of activity with diverse complex of means of strategic and tactical nature, aimed at effective market activity of the enterprise and achievement of its main goal – satisfaction of needs of service consumers and getting the highest profit based on this. That is why let us add to the list of the main types of activity of marketing management composed by T. Rzaeva and T. Galachinska’s from the point of view of the existing theoretic approaches as follows [21]:

- function of management of enterprise’s activity;
- organizational discipline focused on practical application of marketing orientation;
- holistic concept of systemic control of market activity based on marketing principles;
- management activity related to planning, organization, coordination, control, audit and stimulation activities;
- systemic program-based mechanism of interaction of marketing and management tools with regard to enterprise’s adaptation to changes in marketing environment;
- the process of analysis, development and implementation of means directed at growth of sales of services, increase of market share and profit;
- complex of means of strategical and tactical nature aimed at effective entrepreneurial activity and ensuring maximal profit;
- process of identification of target markets directed at carrying out exchange, satisfaction of demand and supply at market of goods;
- complex of means of strategical and tactical nature aimed at ensuring sustainable success of the enterprise and profitability of its activity;
- direction of strategical control over the economic activity of the enterprise, which integrates the processes of execution of marketing tasks associated with production, promotion and sales of services;
- range of tools that directs enterprise’s activity in accordance with market conditions and trends of change of consumers’ behavior;
- process of making managerial decisions based on analysis of factors of external market environment.

Summarizing all the above said, one can conclude that marketing management is a science and art of administrating an organization by virtue of application in entrepreneur’s activity of not only his or her energy, creativity and dynamic character, but also of the effective range of marketing tools as the specific social and economic technology, system of actions attached to comprehension and influence on customer’s and seller’s behavior.

Conclusions. Based on the context of the examined problem, one can make generalized conclusions that the interpenetration of marketing and management has allowed creation of the new philosophy in the development of scientific thought of marketing management, where marketing stands forth as the determinative tool of administration.

Researches of concepts of marketing management have made it possible to analyze their essence and, besides, to identify a number of objective tendencies in modern evolvement of marketing administration. These tendencies are expressed in change of the direction of the influence of the complex marketing tools from one-time consumer involvement to individualization of the relationship based on development of long-lasting interaction. Therefore, marketing management in general is a deliberately formed regulatory mechanism. That is why it is not steady or conservative. On the opposite, in must constantly be advanced
as the economic processes and phenomena change and become more complicated. At the same time it should be emphasized that effective marketing management is the obligatory condition for ensuring competitiveness, stability and efficiency of an enterprise.

Further development and support of marketing management will facilitate the performance of the tasks directed at efficient execution of entrepreneurial activity associated with provision of services, increasing the level of their competitiveness, satisfaction of demand and needs of consumers, taking into account their insistence on high standards, values of creativity, development of the cult of the youth, constant studying and so on.

References:

МАРКЕТИНГОВИЙ МЕНЕДЖМЕНТ У СФЕРІ ПОСЛУГ: ФІЛОСОФІЯ БІЗНЕСУ, ІНСТРУМЕНТАРІЙ ТА СУЧАСНІ ТРЕНДИ

У наданій статті розглянуто сутність філософського осмислення поняття маркетингового менеджменту. Мета статті полягає у визначені можливостей маркетингового менеджменту для відображення його розвитку в інституційно-організаційному вимірі. Актуальність даної теми полягає в тому, що використання маркетингу менеджменту в діяльності підприємств є найважливішою умовою їх успішного функціонування. Основним методом аналізу використовувався контент-аналіз. З метою обґрунтування новітньої концепції маркетингового менеджменту проаналізовано комплекс маркетингу сучасного підприємства сфери послуг. Досліджено існуючі теоретичні підходи та сучасні напрями використання маркетингового менеджменту на підприємствах сфери послуг. Окреслено основні ознаки, що формують розуміння поняття маркетингового менеджменту та обумовлюють його характеристики. Визначено площини досліджень та окреслено їх спрямування у розрізі наявних ознак. На основі аналізу попередніх досліджень сформульовано, що маркетинговий менеджмент – це така філософія, яка ставить клієнта у центр стратегії бізнесу. Визначено спрямування маркетингового менеджменту як процесу. Обґрунтовано, що в основі маркетингових відносин лежать людські потреби. Встановлено основні спрямування маркетинг-менеджменту як комплексу заходів. Наданий стислий перелік оцінок маркетингової діяльності підприємства, які враховуються при визначенні приоритетів маркетингового менеджменту. Особливої уваги приділено концептуальним положенням маркетингового менеджменту, визначенню сучасних тенденцій його розвитку, зокрема інновацій, диверсифікації продукції, діджиталізації, створення віртуальних магазинів, зростання роль сервісу наданих послуг тощо. Ці тенденції простежуються при зміні спрямованості впливу комплексних інструментів маркетингу від ситуаційного залучення споживача у бік індивідуалізації відносин з метою розвитку тривалої взаємодії. Систематизовано основні види діяльності маркетингового менеджменту з точко зору чинних теоретичних підходів. Підкреслено, що у практичній діяльності підприємств сферу послуг дотично прийняті до уваги вибірковість клієнтів, їх спрямовування на творічні, підтримка культури молодості, непереважне навчання тощо.

Ключові слова: філософія бізнесу, маркетинговий менеджмент, інструментарій, концепція, тенденції.