

## Chapter 2

# MECHANISMS MANAGEMENT THE INNOVATION PROCESS OF ECONOMIC ENTITIES

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## **THEORETICAL ASPECTS OF TRADE ENTERPRISE AND POPULATION NEEDS**

A trading company is called the main link in the sphere of trade, it is an independent economic entity with the right of a legal entity, which is the final point of retail sale, created for the purchase, storage and sale of goods, the provision of related services for the purpose of profit and satisfaction of market needs.

In a market economy, all retail traders have equal terms. This competition can take internal and mutual forms. Internal competition takes place between similar in specialization and equivalent in terms of activity of enterprises, and the mutual one is in the competition between trading enterprises with different volumes of turnover and the degree of organization of trade in the sale of goods of the same range. Competition on the consumer market in modern conditions is an important factor in activating the activities of retailers.

In order to ensure a stable environment on the consumer market, the retailer develops a commercial strategy that should include the following elements: the choice of the market segment, specialization and parameters of the entity; calculation of need for start-up capital; formation of retail trade assortment; identification of suppliers and requirements in the volume of procurement; formation of a range of services for buyers; designing retail selling methods; analysis and forecasting of the state of affairs and risk; formation of its own target policy of the subject; establishment of optimal forms of payments with suppliers; establishment of forms of material incentives for staff;

calculation of the possible amount of income; forecast of the sum of fixed and variable costs; forecast of possible amount of profits; Establishing the directions of distribution of profits.

As a result of the study of commercial entrepreneurship as an independent market player in Ukraine, we found that all trading enterprises carry out such activities as researching the market of goods, trade and production, innovation, economic, commercial, after-sales service and social services; There are two types of retail and wholesale trading companies; retail enterprises are classified according to: commodity specialization, scale of activity, service method and consumer group; retail enterprises perform basic and additional functions; between trading enterprises there is internal and mutual competition; To provide a sustainable environment on the consumer market, a retailer develops a commercial strategy.

Determination of the essence and characteristics of business activity in trade and detailed elaboration of the theory of economic mechanism allowed to interpret the economic mechanism of regulation of entrepreneurial activity in retail trade as a system of economic, legislative and administrative methods, levers, measures and organizational forms of market and state regulation of entrepreneurial activity in retail trade, which ensures its optimal development in modern economic conditions. In this position, the purpose of forming an economic mechanism for regulating entrepreneurship in retail trade is determined at the macro level by ensuring the stability of the functioning of the country's economy, the economic and social stability of the consumer market, at the micro level - ensuring economic security, sustainable development and creating competitive advantages of business entities in retail trade; but the main principles include dynamics, system, stability, adaptability, flexibility, optimality, efficiency, responsibility, efficiency, reliability, etc.

As a result of the analytical study of the state and development of the retail trade system of Ukraine, in line with general economic trends [1], the characteristic features of modern entrepreneurship in retail trade are outlined and the range of problems requiring effective regulation is analysed:

- insufficient commodity saturation of the consumer market, low level of security of the population of the country by trading areas and reorientation of consumers to qualitative parameters of consumption and service;
- significant level of profitability of the industry and interest in

domestic investments, which contributes to the strengthening of competition and the active process of market sharing between commercial operators, increasing competition in favor of trading facilities of new formats (super-and g-hypermarkets);

- continued concentration of trade in networks, consolidation of trading facilities, crowding out of small shops and supermarket markets, hypermarkets and shopping centers;

- territorial disparity of the market with different degree of saturation and development potential, overcoming which is possible by providing conditions for effective development of small forms of commercial enterprise in the countryside for its state (regional) support;

- restraint of the development of entrepreneurial activity in retail trade due to the lack of effective financial and legal mechanisms of investment;

- increase of sales volumes and the retail network development mainly by the extensive way, and others.

To determine the effectiveness of business in retail, the evaluation system, which reflects the essence of the concept of "efficiency", is substantiated; has a clear goal; based on well-founded principles (integrity, integrity, hierarchy, etc.), which allow to assess the effectiveness of the subjects of trade as a system; meets certain requirements; takes into account all aspects of activity in interconnection and interdependence, as well as sector features in the current economic mechanism of regulation of business activity.

Economic analysis involves the study of economic activity and the economy of enterprises.

The main purpose of this analysis is to study objectively working economic laws with the intention of using them in practice. The essence of economic analysis is in determining the optimal rates and proportions and rational development trends.

The objects of analysis are separate business processes and directions, which form the aggregate of the economic activity of enterprises. All subjects of the analysis have numerical expressions, which are reflected in the reporting indicators. The content of the indicators expresses the economic essence of the objects, and numerical - their specific meaning.

Quantitative and qualitative characteristics of individual indicators of enterprises are interrelated. Changes of the quantitative characteristics of the indicator cause a change in quality and vice versa. This principle applies both to the individual links and the enterprise as a whole.

Indicators used for analysis are derived from reporting and accounting data. They reflect the volume and quality of the enterprise as separate parts of it and in general, which provides an opportunity to determine the economic efficiency of work and existing farm reserves to increase it. Indicators are divided into quantitative and qualitative, general and special, absolute and relative.

Quantitative indicators characterize the size of the objects being analyzed, and the changes that arise in this case. Qualitative - reflect the peculiarities of economic processes and individual objects, as well as all activities of the enterprise. For example, quantitative indicators of commodity include turnover, the number of workers, etc., and qualitative ones - profitability, productivity, etc.

The common indicators are used in the analysis of enterprises in all sectors of the economy. These are such indicators as profit, profitability, labor productivity, financial performance indicators, wage funds, and others.

Absolute indicators are expressed in terms of natural, monetary and labor dimensions, but relative in terms of coefficients, indices and percentages.

The main task of the economic analysis of trading enterprises is the objective assessment of the results of enterprises, monitoring with a view to identifying and eliminating shortcomings and the search for farm reserves and ways of their use.

Economic analysis of economic activity should cover all the levels and factors of work, be operational and conducted regularly, systematically, and its data should be practically used in the management of the economy.

In modern realities, where there is a commercial secret, internal and external analysis is carried out. An internal analysis is conducted to determine the reduction of individual costs. The materials of this analysis can use the narrowest circle of trustees and is a commercial secret. External analysis is based on a small number of indicators published on the work of entrepreneurs.

The activities of the trading company are versatile and the results of its work depend on many factors. Under the factor, in economic studies we understand the conditions that are necessary for the implementation of economic processes, as well as the factors affecting their results. Each factor that affects a particular company's performance consists of reasons. The more detailed the study of the causes of the causes is the deeper the analysis, the more fully manifested farm reserves, the more

objective is the assessment of the quality of the enterprise. Due to the fact that the results of activities consist of a variety of factors, then they are interconnected, and the negative effect of at least one of them can negatively affect the positive effect of all others. From this perspective, the factors are divided into main and secondary ones.

The influence on the results of economic activity factors are divided into complex and simple. Flexible are those that consist of a set of reasons, simple - consist of one reason. By time action distinguishes between temporary and permanent factors.

One of the important direction of reforming the trading company is a combination of the principles of free (market) and regulated formation of a trading network, and the basic principles of determining the quantitative and qualitative indicators of its development should be purely "market" principles of "economic feasibility", "benefits for consumers", the minimum allowable sufficiency". That is, in the new conditions it is worth ensuring the maximum adaptation of the structural and territorial organization of the trading company to the stereotypes and patterns of consumer behavior and their requests. The development of the type structure of a trading enterprise should be ensured not only by expanding the product and assortment specialization of trading objects, but also by deepening their social differentiation and creating on this basis the retail networks with different price levels for the same type of goods or products and a different set of trading services. Thus, trade has an important socioeconomic value for any economic model of management.

In order to assess the quality of the operation of the enterprise these factors are divided into objective, those that do not depend on the firm itself, and subjective - depending on the work of the economy.

Summing up the results of the analysis, it is necessary to identify all identified facts typical, choose the main economic results of economic activity.

Having analyzed all of the above, we can make the following conclusions: the purpose of economic analysis is the study of economic laws with the intention of using them in practice, and the essence is to determine the optimal rates and proportions and rational ways of development; objects of analysis are separate business processes and directions; indicators used for analysis divided into quantitative and qualitative, general and special, absolute and relative; internal and external analysis is carried out at all enterprises; as a result of economic analysis, a complete picture of the work of the enterprise can be seen and, for the ease of understanding and use of data, we can distinguish

typical and choose the main economic results.

An important condition for developing a strategy of behavior of trading enterprises in the market is the study of the needs and behavior of consumers in the market, their motives for choosing trade enterprises and specific products.

Consider the need as a factor in expedient consumer behavior.

There are various needs, so there is a different approach to their classification. Let's look at some of them:

1. By the nature of the emergence of needs, they are divided into basic and generated by the development of civilization;

2. In urgent need of satisfaction there are top priorities and those satisfied with luxury goods;

3. By means of providing satisfaction of needs they can be material and non-material.

Each of them can serve as the basis for certain predictions. It should be noted that there is a connection between the wealth of society and the structure of needs. In particular, the richer the society becomes, the higher the proportion of the needs of the higher level.

The buyer satisfies his needs, guided by subjective assessments of consumer goods.

For a more detailed examination of the issues, we can consider the conditions that affect the formation of the needs of consumers.

The determinative influence on the process of formation of individual needs is the factor of socio-economic content as the most influential among them is the level of family income, which forms the main constraints on the needs and individual consumption in market conditions. This factor is considered the main one, but secondary factors can not be ignored.

V.Yu. Novatsky [2] presented the next classification of the secondary factors:

1. Economic and geographical factors (country, region, city or village, population and population density, availability of production and transport infrastructures);

2. Structural and demographic factors (age, gender, family status, race, occupational-industrial affiliation, share of production-active population, level of urbanization, etc.);

3. Cultural and historical factors (religious affiliation, education, character and degree of division of society into layers, observance of traditions, linguistic features, etc.);

4. Factors of a political nature (expected level of stability of

economic conditions, availability of guarantees against forced alienation of property, attitude of the population to entrepreneurship);

5. Psychological factors (associative perception of goods, awareness of prestige, emotional motivation, psychological peculiarities of product evaluation, psychological dependence and sufficiency as a result of purposeful "processing" by public opinion and other factors);

6. Factors of individual needs (the presence of buyers, differing in the degree of intensity of consumption of goods, the preferences of individual buyers for certain products and producers, certain qualitative parameters of the product, the variety of reaction to innovations in the product);

7. Factors of relative probability (the presence of more or less stable demand for goods, the availability of reasons for the purchase, the possibility of a random purchase);

8. Factors of parametric qualities of production (indicators of quality of goods, reaction to price indices, elasticity of demand for goods, breadth of assortment of a certain type of goods, use of influence of certain parameters of production on demand).

This classification gives an opportunity to consider such influence from different parties, which helps to identify the objective reasons for the development and dynamics of real needs, determines the basic laws and trends of this development.

Taking into account all of the above, we can state that needs are classified according to the urgency, character and means that meet needs; there is a connection between the wealth of society and the structure of needs; satisfying its needs, the consumer, is guided by subjective assessments of consumer goods; the determinative influence on the process of formation of individual needs are factors of socio-economic content and a number of secondary factors.

In the conditions of increasing competition between trade enterprises, the role of understanding the needs of consumers and their criteria for choosing a supermarket is substantially increased.

First we find out what exact problems arise for consumers in the supermarket, for this we consider the results of research in supermarkets of Dnipro, which are listed in Table 2.1.

Taking into account the above problems arising from customers, there are criteria on the basis of which buyers choose supermarkets: Lack of queues in the cash-points; Low prices; Nice staff; Convenient location of the supermarket; A large selection of goods; Purity; Good meat department; Clear section on divisions; Understandable price tags; Choice of ready meals.

Table 2.1

**The most common problems with supermarket buyers**

Problem	Specific weight, %
Waiting time in a queue at the cash points	36,6
Unstable layouts, spaces on shelves	16,5
Bad service, incompetent or unfriendly staff	11,2
The difficult route to the supermarket, the lack of parking	8,1
Excessive prices	5,8
Overcrowded sales area for the buyers	5,8
Difficulties in defining commodity prices	4,9
Lack of special offers	4,5
Unsatisfactory assortment	3,2
Environmental requirements that are not met	3,2

Analysis of consumer problems in the supermarket and the criteria for choosing the outlet shows that for the customers it is very important to analyze the assortment of products presented in the store, but most of the managers of retail enterprises in Dnipropetrovsk region underestimate the importance of an effective assortment policy. The situation on the market motivates trading companies to prioritize production volumes to a particular buyer and their group.

If we investigate the behavior of consumers in the city Dnipro, it can be indicated that the advantage of trading enterprises is achieved due to the availability of assortment, which by its characteristics or level of service exceeds the proposals of competitors, constant control over the quality of goods sold in the trade network, the constant maintenance of the minimum range of goods to meet needs of the consumer. Formation of distinct advantages allows stabilize or increase the market share, to gain profit and outstrip competitors or to keep a leader's position.

The most demanded and profitable commodity groups are food products, since people who are in an economic crisis are eager to stock up on food to have enough supplies for the time when they run out of money. It is also necessary to note that consumers will buy not only cheap products, but also those that began to rise in price.

Consider what food products are in greatest demand in Dnipropetrovsk region. After analyzing various statistical sources, we have the following list of the most sought after food products: meat products, dairy products, confectionery, alcoholic beverages, vegetables, fruits and cereals. The most profitable from this list are alcoholic

beverages and tobacco products.

Importance for increasing the demand of buyers in the supermarket has the definition and use in practice of the main psychological factors of trade service. Psychological factors should be taken into account when equipping the store, appointing the sales manager of departments, carrying out promotional activities, organizing the calculation of goods, the performance of salesmen of work operations.

The first task of the seller in the process of selling the product is to attract the buyer's attention to a particular product. The execution of this work can be divided into two stages: the first stage is the attraction of subconscious attention, and the second one is rising of interest to the product through a variety of means, and in this regard, the transition to conscious attention. In turn, the subconscious attention contributes to the emergence of so-called impulse, unforeseen purchases of goods.

The success of a trading operation is heavily dependent on the seller's ability to influence the buyer's psychological impact. There are two ways of such an influence: rational, that is, an appeal to the mind and an emotional one that appeals to feelings, habits, inclinations, and the like.

The quality and level of service is a matter of importance for buyers. Various self-service enterprises offer almost the same level of service. Today, a wide range of shops services is one of the elements of obtaining material profit. With the expansion of services, you can significantly increase the flow of customers and, of course, increase the level of loyalty to the store.

After analyzing the needs of consumers in the city Dnipro, we can make the following conclusions: problems encountered in the supermarket are closely related to the criteria of the choice of supermarkets, the range of goods presented in the store is one of the most important components of its profitability, the greatest demand is for food products, the most profitable products are alcoholic beverages and tobacco products, in order to increase the demand of consumers, it is necessary to use the psychological factors of trade services, the quality and level of service that distinguishes commercial enterprise for consumers among others are also important.

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**INNOVATIVE  
STUDIES OF THE  
QUALITY OF THE  
SEMI-FINISHED  
SOUFFLÉ WITH  
POSITION OF THE  
NORM OF  
PHYSIOLOGICAL  
NEEDS OF HUMAN**

**Introduction.** Confectionery is one of the most attractive sectors of the food industry of Ukraine. The confectionery composition is a high-calorie foods that are high in fat and carbohydrates. The main raw material in the confectionery industry is sugar. Today the question of production of sweet products that can be eaten by all population groups, including diabetics. To achieve this goal in Ukraine is widely used sweeteners [1]. They are used not only to reduce calorie content, but also to improve the quality of the food.

The quality of food products understand the set of properties that determine their practical use to the human body. Food must meet the physiological needs of the human body and meet energy needs and nutrients. Also, food products must conform to the requirements of the organoleptic, physical and chemical properties, hygienic norms against chemical and biological structure [2].

The quality indicators are grouped into simple and complex. Single indicators of quality are established industry-standard technical documents characterize one of the properties of the products (water