

# Integration of the Supply Chain Management and Development of the Marketing System

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**Abstract**— This paper aims to develop a deeper understanding of integration between supply chain management and marketing by marketing system in conditions of competition among regions. The place of marketing in the economic system of the region is determined; the emphasis is placed on the study of the region as a product, the evolution of marketing, the identification of the essence of marketing in the system of regional policy. Author's approach to the regions as a kind of competing corporations for resources and consumers is developed. To achieve the goal of the study authors implied theoretical method to provide scientific literary sources analysis, general-scientific method, for instance analysis, synthesis, comparison of received information. On the basis of analysis and systematization of data on the development of the region and existing marketing strategies, a marketing strategy for the region, which consists of eight stages, is designed to increase the region's popularity, that is, to create its positive image and improve the competitiveness of enterprises located in the region. This study provides information that is of particular interest for marketing researchers and practitioners. The set of marketing methods is offered, with the help of which it is possible to assess the rationality of the region's development and provide information for further prediction of socio-economic development of the region. The marketing methods are understood as the set of methods and ways of thinking, allowing on the basis of the analysis of retrospective data, exogenous (external) and endogenous (internal) links of the object, as well as their measurements within the

**framework of the phenomenon or process under consideration, to derive certain authenticity judgments regarding its future development.**

**Keywords**— *Marketing, Supply chain management, Regional Marketing, Marketing Strategy, Regional Development.*

## 1. Introduction

Effective supply chain management (SCM) has become a potentially valuable way of securing competitive advantage and improving organizational performance since competition is no longer between organizations, but among supply chains. The applied specific measures are non-systematic and, as a rule, cannot comprehensively solve the problem. First of all, this aspect is caused by the lack of theoretical groundwork, based on which one might develop a complex marketing strategy of the region as well as a reliable toolkit essential for the complex development and implementation of the mentioned strategy.

The formation of the regional potential based on the marketing approach is a core task of the regional governments since it reflects the strategy of the state socio-economic policy, which is the basis of the local government improvement mechanism.

Socio-economic development not only makes the basis of the regional self-sufficiency but also provides its attractiveness and competitiveness. As

a result, marketing approach is an important component aimed at facilitating the economic and social trends of the region due to planning and implementation of the effective marketing activities.

The search for efficient regional (territorial) socio-economic development models stipulates the necessity of the strategic planning application at the all levels of state administration and local governments. Given approach is instrumental in elaborating the most optimal strategies of the regional development based on the precepts of the economic reform outlined in the State strategy of the regional development of Ukraine until 2020, which is focused on the reinforcement of the regions' part in the general economic development of the country (decentralization). It is these postulates which have formed the basis of the practical marketing activity as a market concept of the business operators management concentrated on meeting the effective demand of the specific region.

In the current circumstances, the successful implementation of goals and tasks of the regional socio-economic management and development primarily depends on the complex of marketing activities oriented on certain territory positioning, generating the demand for potential opportunities, arranging the pricing policy, defining an effective advertizing policy, and providing a proper security of the imported products. Thus, based on the analysis of the territorial development and sectoral specialization, marketing of the region forms and improves the investing attractiveness of the region.

## 2. Methodology

SCM has been defined to explicitly recognize the strategic nature of coordination between trading partners and to explain the dual purpose of SCM: to improve the performance of an individual organization, and to improve the performance of the whole supply chain. The goal of SCM is to integrate both information and material flows seamlessly across the supply chain as an effective competitive weapon. Regional aspects of marketing system formation and development became the subject of survey by many national and foreign scientists. Nonetheless, a great number of regional marketing issues, both theoretical and methodological and practical, remain unresolved, namely, defining the essence of the "regional marketing" derivation, investigating a marketing

approach to the socio-economic development of the region, addressing the peculiarities and methods of regional marketing formation in Ukraine, etc.

## 3. Results and Discussion

A market orientation plays a pivotal role in implementing SCM. First of all, a firm's market orientation produces and stores valuable market information that is needed in the process of building, maintaining, and enhancing supply chain relationships. For example, since a firm has information about customers, suppliers, competitors, sociopolitical environments, and technological trends, it could answer such questions as which supply chain best serves its customers' needs, with which firms it should work to implement SCM, what should be the objectives to be pursued in SCM, and so on. Regional marketing is interconnected with the regional processes, such as regional work division, specialization, and cooperation, which trigger regions integration. Thus, such type of marketing takes into account the unique valuable and useful peculiarities of the region and provides socio-economic development of the latter according to the strategic goals. The competitiveness of the territory, effectiveness of business entities' work of different forms of ownership, and high living standards of the population greatly depend on the rational determination of the regional development strategy.

Region serves as a component of the economic system among other indicators of the socio-economic production structure, characterized by the presence of certain natural and resource factors. The processes of management are implemented by the regional government. Region is one of the core objects of organizational and economic and political and legal relations aimed at regional economy arrangement, formation of favorable living conditions, and meeting the needs of population according to the specifics of its development [1].

There is no unified definition of the term "region", but it is a region that serves as a constituent element of the economic system of the highest level, which is a country. Basically, region is determined by authors as a territorial integrity (region, district, part of the country) with the set of natural or historically developed and fairly resilient features and main indicators of the socio-economic structure characterized by certain natural and resource factors managed and implemented by the regional government.

The term “regional marketing” is often used as a synonym to “territorial” and “municipal”. However, the main difference between the mentioned concepts is based on the level the marketing activity is performed on. Region is not only a geographic category. Thus, one shouldn't equal the terms “region” and “territory.”

Territorial component is crucial for any region since it is the basis of its both creation and existence. Any region makes up a territory, but the territorial component itself is not enough to call the territory a region. The availability of the certain specifics (economic, ethnographic, confessional, and socio-cultural) and their positioning is the necessary precondition of the region formation [2]. Thus, the term “regional marketing” should be applied exceptionally to the activity of the regional government. In turn, the term “municipal marketing” concerns the local government.

“Regional marketing” is a broad concept, while the “municipal marketing” is considered to be its component. Marketing complex operations are identical to the activities conducted by regional and local governments, but the levels of their functioning would be different. Thus, regional marketing would be performed on the meso-level, municipal one – on the meta and micro-levels, corporate marketing – on the nano-level, and territorial marketing – on the macro-level.

The above approach allows considering marketing in the system of the regional policy on the different levels. One can observe marketing on the state level as a whole (nationwide marketing), on the territorial level of a few regions (territorial marketing), on the level of a separate region (regional marketing), on the level of the territorial communities, towns, and villages (municipal marketing), and on the level of corporations, which is a nano-level (corporate marketing). Therefore, regional marketing is not applied for the investigation of market, demand, and prices for products of a certain company (nano-level), but it helps research markets, demands, and potential realization of the whole region from the perspective of internal and external needs. Notably, when it comes to pico-level in marketing activity, it is the welfare of the population and the stable development that are the highest priorities of the state government.

Hence, being an intermediary, regional government facilitates a coordination of individuals' and

companies' local interests with the regional and national goals. Besides, regional government creates conditions for regional political system adjustment to the social demand and forms an organizational structure that concerns market research in order to enhance the competitiveness of the region on the certain territory (Figure 1).

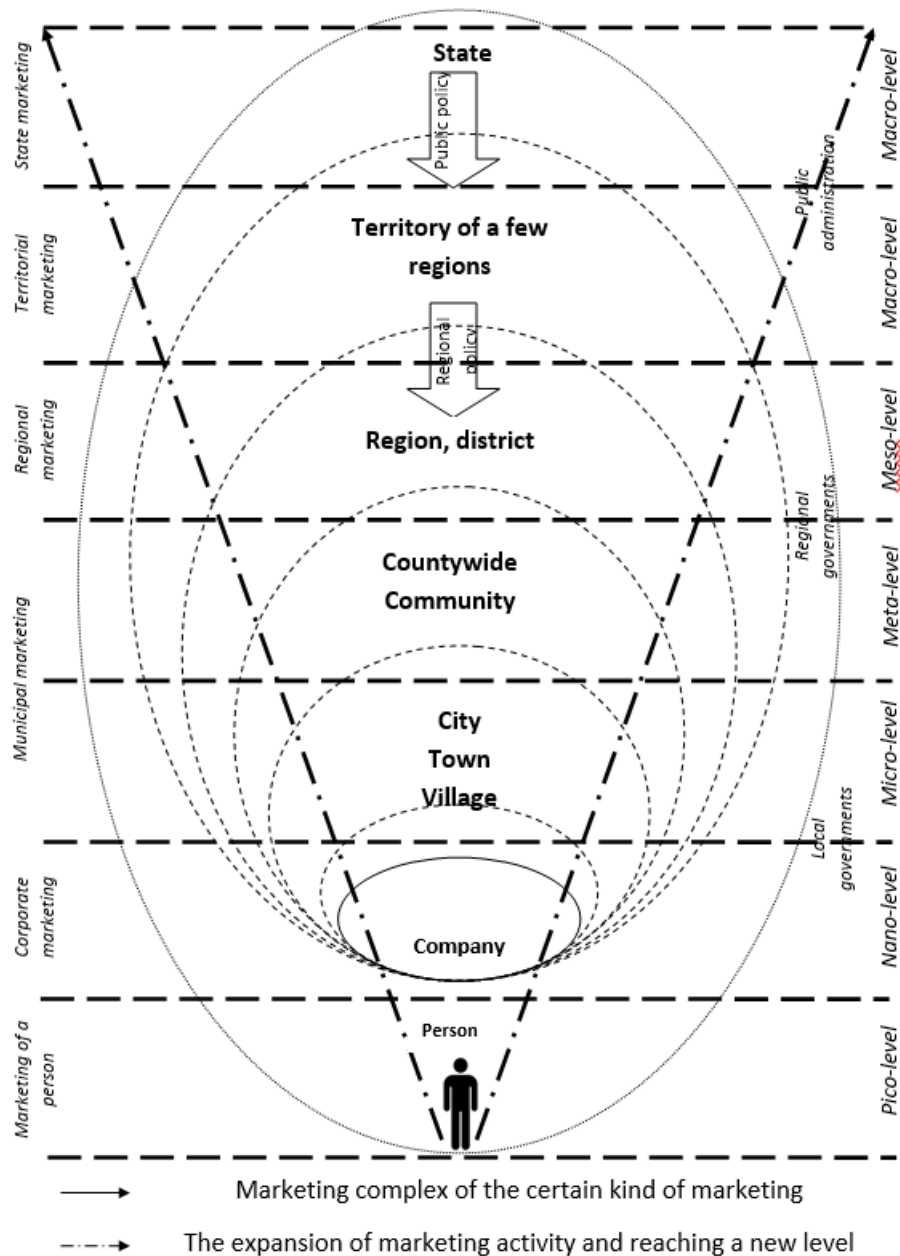
The main goals of the regional marketing are as follows:

- The improvement or retaining the competitiveness of the regional entities and the welfare of the population, a goal that conforms to the interests of consumers;
- The optimization of the citizens' identification according to the territory of residence; the creation of the social behaviour and positive public opinion standards, an intention focused on the social needs meeting;
- The involvement of the investors to the regions; ensuring profitability based on the regional commercial affairs and providing an increase in the regional budgetary incomes, which is the addressing of the regional government's interests.

Region is a complex and multifaceted phenomenon. The definition of its essence as a clear political, social, institutional space causes the approaches dualism:

- 1) Given the internal and external effects, region is a multidimensional structure that integrates miscellaneous subsystems based on the natural, technological, and social processes cooperation.
- 2) Region is a special type of the economic system, based on the interrelated development of the production and resource spheres.

According to the authors' opinions, the investigation of the region must be conducted systematically, that is, one should explore system as a unified and indivisible object within the framework of the higher-level system based on the predetermined principles, relations, and management and development techniques, but not as a separate complex. Noteworthy, the terms “complex” and “system” are close in meaning, but not identical. Thus, complex is a set of subjects, objects, phenomena, and actions that are closely related and make up an integrity. In turn, system is a mix of elements and their features. The cooperation between elements causes a new integrity characterized by the attributes unavailable in the separate elements [3]. Consequently, system is a concept with a broader meaning.



**Fig. 1.** The place of marketing in the economic system

The system approach allows defining the main peculiarities of the region as a complex system, which are as follows:

- The availability of many physically assorted and interrelated subsystems;
- Hierarchical management (the distinction in management structures);
- The lack of actions coordination;
- The instability of the separate elements of the system;
- Striving for high growth rates;
- Many interdependent elements;
- The complexity of functions;
- The branched out information network and intense information flows;
- The availability of the actions uncertainty factor under specific conditions;
- The variability of some system parameters;
- The possibility of restrictions (resource, labor, finance);
- Target orientation;
- Multifunctionality, etc.

Apart from the mentioned features, there are three main attributes that determine the complexity of the region as a system:

- robustness, which is the ability of the region to retain the partial functioning given the absence of certain elements, components, or subsystems;
- the availability of the miscellaneous relations;
- emergence (integrity, wholeness), an aspect implying that the consideration of each element

separately doesn't provide a holistic vision of the system's complexity.

The territorial organization of the society is defined as a combination of functioning territorial and residential frameworks, production, environmental management, and the created government structures aimed at reproduction of life characterized by a multifaceted system of direct and indirect relations. In this case, region is one of the core objects of the organizational and economic, political and legal affairs focused on the organization of the regional economy, creating the satisfactory living conditions, and meeting the needs of the population given the specific nature of the region's development.

Region as a separated territory within the state has been characterized by its own system of government, house holding, economic specialization, and balanced development of productive resources based on the effective division of labor. The availability of the separated territory facilitates the provision of the region with the different types of resources and opportunity to independently solve arising socio-economic issues in regards to the regulated mandate and formulated strategic goals. In this, the systematic management implies the possibility of the close relationship between the elements of the regional economy according to the specialization of the region. Balance is characterized as the process of maintaining the proportions inside the region.

Noteworthy, the socio-economic processes in Ukraine occur within the permanent political and internal financial crises, inefficient tax volatility given the increase in tax suppression, a decline in the inner market capacity, non-compliance with business ethics [4], as well as the 2014 annexation of Autonomous Republic of Crimea by Russian Federation and an extended anti-terrorist operation in Donetsk and Luhansk regions.

The effective development of the region is a result of a number of conditions, namely:

1. Meeting the requests of the population and subjects of market relations;
2. Adjustment of the regional economic system to the external factors and inner structure;
3. Developing the strategy of the stable development of the;
4. The rationality of the territorial labor division between the regions and within the regional borders (considering the individuals relocated from

Autonomous Republic of Crimea, Sevastopol, Donetsk and Luhansk regions);

5. Taking into account the productive unequal conditions, regional resources, and their peculiarities the relevant and substantiated usage of which will provide efficient results given the allocation of manufacturing enterprises and economic development of the certain region [5].

Regions are the key elements of the national socio-economic policy implementation since its effect has been spread on the regional economic and political system.

The operative goals inherent to the regional policy of Ukraine according to the National strategy of the regional development of Ukraine until 2020 are the following:

- Decentralization of authority, reformation of the local government, and administrative-territorial structure;
- The improvement of the regional development strategic planning on the national and regional levels;
- State management of the regional development quality reinforcement;
- Enhancement of the intersectional coordination in the process of state regional policy planning and implementation;
- Institutional maintenance of the regional development [6].

Regional economy functioning is a result of the state complex interests focused on the elaboration of the effective governing system that involves the establishment of the regional management system, hence, providing an opportunity for the free disposal of the available resources and potential. Therefore, the developmental efforts have been directed towards the strengthening of the autonomy of the regions, which become even more responsible for the results of their socio-economic growth. The significance of the mentioned development increases due to the current conditions of the anti-terrorist operations, economic crisis, and national structural alterations. Consequently, factors such as the decline in the living standards of the population, devaluation of the Ukrainian currency, reduced solvency, high tariffs on the utilities, and tense emotional state of the citizens hinder the quality socio-economic growth and stable development of regions.

It should be noted, in Ukraine, the external conditions of such development are extremely difficult since currently it is difficult to manage the

economic processes and predict their results. Therefore, it is the regional administration that can facilitate the socio-economic development efficiency given the usage of available advantages, creation of new benefits, and application of the relevant methods and instruments of development management. As per the mentioned approach, the dynamics of the regional inner development can have positive implications, such as the establishment of the new branches of economy in the region, the growing supply of work, high standards of living, which attracts investments, citizens, and newcomers. However, the discrepancy between these phenomena can lead to growing prices on a real estate, infrastructure overload, social discontent, which reduces the attractiveness of the regional territory. From the external perspective, the territorial market has been influenced by the global competitiveness, scientific and technical progress, regional policy, and other factors. As a result, regions get integrated into the global economy and have to compete with each other in order to gain investments and qualified workforce and meet the ever-growing needs of the population in terms of utilities and living [5]. The rapid changes in the world economy modify the significance of factors affecting an economic growth. The factors of impact are availability and increase in innovative, intelligent, and investing resources that promote the rise in the dynamics of the macroeconomic indicators and the regional potential.

The application of marketing as an instrument of the regional economic policy (regional marketing) has been due to the following reasons:

- An increased competition with the private sector, the operations of which are focused on the markets capturing;
- A reduced financing of the state programs and services;
- The corporate goals of the government are more important than the social interests;
- The changes in the social structure of the society;
- The differentiation of the demand on the products and services market [7].

Thus, the definition of the region as a product or marketing evolution, the investigation of marketing in terms of the regional policy, and authors' approach to the determination of regions as some kind of corporations competing for the resources and consumers are of a great interest [8].

Marketing approach towards the socio-economic development of the region solves a range of issues, such as the formation and usage of the unique peculiarities of the region; the provision of the regional socio-economic development; positioning of the regional product with the purpose of competition reinforcement or retaining; promotion the attractiveness of the regional product within the territory in order to attract new companies and investors; facilitation of the regional popularity; ensuring the satisfaction of the regional residents with the living conditions. Considering the mentioned aspects, any reform should begin with the region's quality estimation, investigation of its advantages and drawbacks. In the other words, it is necessary to apply marketing methods and define one of alternative variants of the marketing concept goals noted below:

- reaching the greatest possible consuming;
- reaching the greatest possible customer satisfaction;
- providing the greatest possible choice;
- providing the greatest possible increase in the quality of life.

The methodological basis of the regional marketing is a set of methods companies rely on in order to gain the set goals:

1. The method of orientation on the product and/or service (manufacturing of the quality goods (services, ware), which should then reach the end-user).
2. The method of orientation on the customer (first, one should find a consumer, then, define the product to meet the needs, and finally manufacture the determined goods).
3. Integrated marketing (the product and customer should be defined simultaneously).
4. Marketing of the open systems (In order to exist, the open system must perform the exchange operations with the external environment. Such exchange must bring profits to the system and welfare to the society).

In order to satisfy needs and interests of regional residents, it is necessary to take into account not only the level and quality of life but also the environmental security, the opportunities for the development of national cultures, social well-being, and the choice of activity. Hence, one should conduct marketing research and forecast the processes of market infrastructure establishment (regional markets of labor, services, accommodation, education, and healthcare).

Investigations make a substantive part (from third to half) of the whole marketing activity and are obligatory for the information collection,

accumulation, and analysis. Different methods and means will be applied based on the marketing research orientation (Table 1).

**Table 1:** Methods of marketing investigations

<i>Name of method</i>	<b>Essence</b>
1	2
<b>Methods focused on the strategic development of the region</b>	
SWOT-analysis	The set criteria of marketing activity estimation help in defining strengths, weaknesses, and neutral zone of the region with the aim of providing the government with the opportunity of using strengths and eliminating weaknesses.
MPC-analysis	Estimation of the regional marketing potential based on the specific criteria aimed at making a comparison with the marketing potential of the competitive regions and defining the unused reserves of success.
Portfolio-analysis	The division of the financial flows into strategic business units or projects, which lets manage the finances more effectively.
PEST-analysis	A marketing tool intended for detecting political, economic, social, and technological aspects of the external environment that affect the development of the region. Politics regulates authority, which defines environment and the main resources for the development of the region. Economics provides the distribution of the resources at the country level, which is the most crucial condition for the development of the region. Social component is essential as well. Revealing trends in the technological development sphere assists in determining the reasons for changes and losses of the region as well as appearance of the new products, services, ventures, and activities.
GAP-analysis	The comparison of the desired and planned development trajectory of a certain case (parameter) with the aim of defining the difference between them and elaborating or modifying the strategy related to the further development of the researched situation.
ABC-analysis of the marketing economic potential fields	The analysis of the indicators, such as sales volume and marketing coverage amount helps define the marketing economic potential field a region belongs to with the aim of choosing a development orientation strategy.
<b>Tactical development of the region</b>	
Calculation of the share coverage	Making the marginal marketing profit as well as the marginal profit based on the different elements of regional marketing mix
The break-even point analysis	Calculation the critical sales volume
Calculation of the result	Calculation the regional marketing results for a certain period of time
Budgeting of marketing	Planning the amount of expenditures on the regional marketing program
Evaluating of the marketing effectiveness	Analysis and evaluation of the regional marketing operations based on the certain parameters with the purpose of defining marketing activity advantages and drawbacks
<b>Operative development of the region</b>	
Analysis of market share	Defining the indicators of the state and regional market share followed by their further analysis, defining a market share a region can rely on in the future based on the consumer preferences analysis
Analysis of implementation and opportunities	Analyzing an amount of sold regional products. Analysis is performed in regards to the period of time, branch of activity, and the number of the most sold items
Analysis of sales channels efficiency	Sales channels analysis involves the analysis of micro-sales. Sales based on the consumer segments, territories, sales channels, products are investigated

Analysis of the rivals' behaviour	separately. In this case, it is necessary to analyze planned and actual deviations and estimate the inventory turnover.
Evaluation of the marketing actions effectiveness	Competitor analysis involves the evaluation of the competitors' strengths and weaknesses as well as the possible reactions to the rivals' actions, which is determined by the number of competitors, balance of forces, growth rate of the industry, conditions of the activity differentiation, etc. The analysis of the annual plans requires a regional government to trace the expenses on the set objectives meeting. The main indicator is a balance of expenses and sales volume (the amount of input – investments, the quality of life of the population, etc.) Apparently, the mentioned analysis is performed concerning the certain components of such expenses. In the other words, one should research the dimensions and dynamics of ratios such as expenses on the advertisement, expenses on the marketing investigation, expenses on the sales promotion, and expenses on marketing.
<b>Analysis of the behavior of buyers and consumers</b>	The main indicators are the number of new customers, the number of unsatisfied customers, the quantity of lost customers, the awareness of the target market, etc. The mentioned indicators should have the relevant norms. In case the indicators go beyond the norms, the government must take the appropriate administrative measures.

Source: *Authors' own research results*

The set of the proposed methods let expand the range of interests and needs of the population as well as evaluate the rationality of the regional development and provide the information for the further regional socio-economic development forecasting (information collection). The methods of forecasting is the set of approaches and ways of thinking that use the analysis of the retrospective data, exogenous (external) and endogenous (internal) connections of the forecasted object, as well as the calculations that concern the investigated phenomenon in order to elaborate the judgment of a certain authenticity regarding the object's further development.

1. The next step to the goal fulfillment after the information collection is the analysis and arrangement of the obtained data. The mentioned process requires the use of segmentation and positioning. Segmentation is the main method of marketing which facilitates data distribution based on the results of the analysis according to the certain features (segments). Positioning of the region is one of the methods of defining those regional opportunities that meet the needs and interests of different consumer groups most of all. The position of a region among other regions (the external advantages compared to other regions) should be not only transparent, but also strong and long-term protected from the possible competition with other regions.

2. The strategic planning concept structure of the socio-economic development of the region predetermines the orientation of the marketing planning for the participants involved in the process of elaboration the regional development strategy and program.
3. Concept is also a consolidating element of the strategic marketing development process since it accumulates the outcomes of the regional socio-economic and external factors analysis. Concept outlines the main strategic marketing guides and defines instruments necessary for the gradual implementation of the marketing development goal and tasks in the long run.
4. The global basic directions of marketing activity in regards to the region (and company) are mentioned below.

Segmentation strategy is enlarging the scope of saturation with the products and services for all customer groups and determining the maximum market demand;

Diversification strategy is the production of new goods and new markets penetration, a process involving not only products differentiation but also expanding the entrepreneurial activity to the totally new and unrelated to the core activity regional companies;

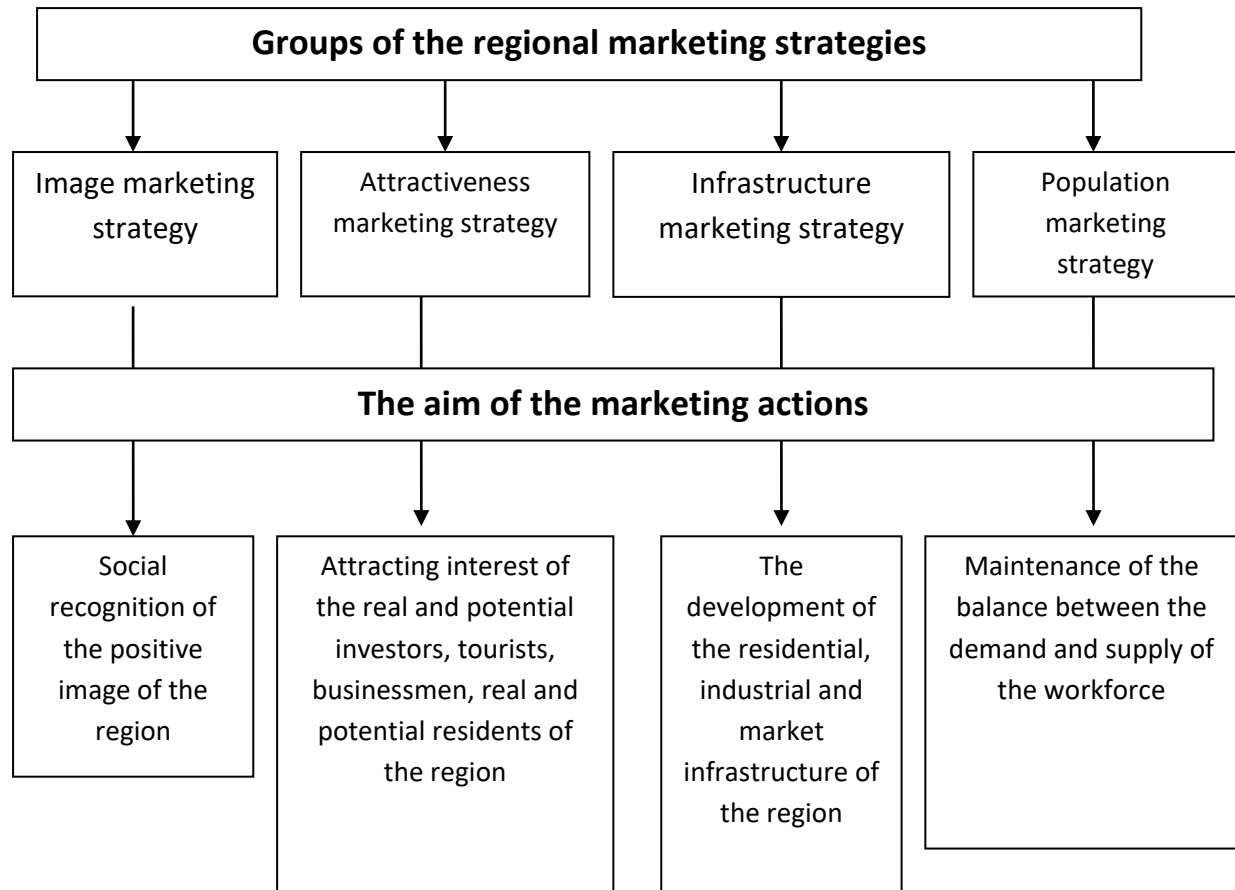
Internationalization strategy is the assimilation of the new international markets.

The world practice of the regional product marketing strategies development distinguishes



four groups of strategies focused on tourists involvement, industry development, export, and others, which are conditionally called image marketing strategy, regional attractiveness marketing strategy, infrastructure marketing strategy, and population marketing strategy (Figure 2). However, any of these approaches must accurately reflect the mission of the region.

Noteworthy, the above strategic groups should be created in a specified sequence as a marketing strategy complex according to the public considerations about the further development of the region, its attractiveness potential, problems, migration situation, all types of resources, etc. The general scheme of the strategic marketing planning sequence on the regional level has been presented in the Figure 3.



**Fig.2.** The role of marketing in the economic system

Source: *Authors' own research results*

Elaboration of the regional development marketing strategy is a gradual process:

- 1<sup>st</sup> stage – the analysis of the socio-economic state of a region;
- 2<sup>nd</sup> stage – the estimation of the regional territory development;
- 3<sup>rd</sup> stage – competitive analysis;
- 4<sup>th</sup> stage – the estimation of the region's competitiveness;
- 5<sup>th</sup> stage – determination of the aim and tasks of the regional marketing strategy and defining the guidelines for its implementing;

6<sup>th</sup> stage – choosing the regional marketing strategy of the territorial development;

7<sup>th</sup> stage – elaborating the regional marketing complex;

8<sup>th</sup> stage – monitoring and estimation of the marketing strategy implementation (Figure 3).

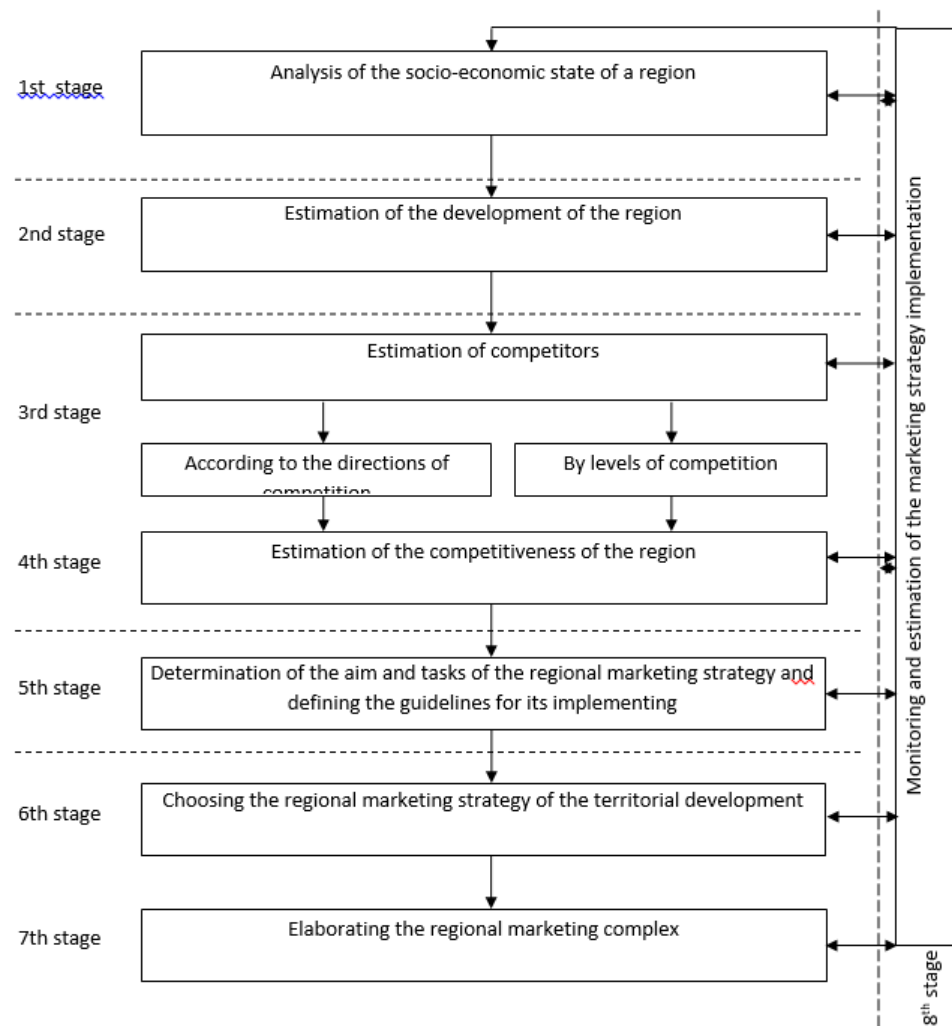
The first stage involves the regional economic and social data accumulation and processing and indicator development analysis aimed at defining and reinforcing the regional potential.

The level of socio-economic condition of every region comprises a range of indicators and

coefficients. Thus, in order to define the potential accumulated for the previous years, it is necessary to evaluate the regional development that is to proceed to the second stage.

5. The third stage is complex since the analysis is conducted separately according to the directions and levels of competition. The competitive direction analysis is

oriented on the detection and evaluation of the main and reserve competitor strategies, which allow occupying or strengthening the relevant position concerning rivals. The competitor level analysis helps determine and forecast the competitive situation on the market and elaborate a long-term regional development strategy.



**Fig. 3.** Stages of the of the regional marketing strategy elaboration

Source: *Authors' own research results*

The fourth stage includes the estimation of the regional competitiveness, which characterizes the place and position of the region on a nationwide scale and facilitates defining and establishing the additional competitive advantages based on the diagnostics.

The fifth stage provides the determining of the regional marketing strategy aim and tasks as well as guidelines for their implementing. The primary aim of the phase is elaboration of the optimal model focused on the regional peculiarities promotion given all the available and potential

resources. The fifth stage also facilitates the enhancement of the regional competitive advantages in the system of the territorial labor division and life quality optimization.

At the sixth stage it is important to make the right choice of a regional strategy for the development of the region, the use of which leads to a successful socio-economic development of the territory at the expense of optimal use of available resources and potential of the territory as a whole. The marketing strategy of the region is a set of tasks and dominant areas of their implementation, specific marketing

goals for a certain period, and appropriate management decisions.

For each individual application area of the strategy implementation, it is important to create a mechanism for realization, consolidate financial resources, identify responsible executors and criteria for evaluating the results. At the same time, we emphasize once again that the whole strategy for the development of the region must be developed step by step, on the proposed sequence of stages, based on the current and projected needs of the region, ensuring its socio-economic development, environmental orientation and quality of life of the population as a whole.

The seventh stage involves the development of a complex of territorial marketing, which includes the territorial product, the price of the territorial product, the location (localization) of the territorial product and promotion of the territorial product. For the marketing of territories in addition to the traditional "4P" instruments local authorities and political forces are also relevant.

For the strategic development of the territory as a product the differentiation for different groups of consumers is necessary. The notion of "territorial product" is formed by the concrete characteristics and resources of the territory. A person perceives a concrete territory as an object of his residence, rest, study, place of employment, economic and social interests which has a certain usefulness in synergy with the system of quality of infrastructure and management of this territory.

The price of a territorial product is the costs that the consumer will bear in living and/or engaging in any activity in that territory. The price of the territory can be considered its value for the consumer, as well as the capitalization and liquidity of assets available on the territory (natural, land, property). The value of a particular territory is ensured by branding, a separate marketing tool.

The next tool is the place, that is, the localization of the territorial product in space. Despite its constancy, the territory can be considered as an element of different scale systems, which are based on different factors (administrative, geographic, political, economic, social, managerial, etc.). This tool is closely related to the above mentioned i.e. the price of a territorial product.

The fourth instrument of territorial marketing is the promotion of a territorial product, where all modern marketing communication tools can be used. However, in developing a complex of

regional marketing, promotion is directly related to the first instrument of this complex – the product and its differentiation. That is, different promotion approaches are used for different target groups, as well as for connections with other regions of the state and the world.

At the eighth stage the monitoring and evaluation of the implementation of the regional marketing strategy for the development of the territory are being carried out. At this stage, the achieved goals are evaluated, quantitative and qualitative indicators of the region's development of a certain time period are elaborated, a critical analysis of errors is carried out in order to avoid them in future, and new managerial and marketing tasks are formed.

According to the set aim, the tasks of the regional marketing strategy are as follows:

- creating of the high-level popularity, that is creation of the positive image of the region;
- maintenance and improvement of the competitiveness of productive organizations and service organization located in the region;
- internationalizing of the region;
- search for potential sales markets and consumers necessary for the stable development of the region;
- involving new investors;
- promotion the resources of the region beyond its borders;
- optimizing the welfare of the territory and comfort of living in the region;
- conducting the research and creating a registry of the regional resources.

The secondary aims are the improvement of management, enhancing the attractiveness, and optimizing the infrastructure, which help utilize standby regional resources more efficiently with orientation on the target groups. In order to meet the set goals one should solve the following tasks:

- integrating the three main functions of the territory: place of residence, place of rest (natural environment), and place of management;
- defining the unified features based on which regional condition will be evaluated (comparability);
- evaluating the possibility of reaching goals set by the regional marketing strategy and forecasting the timeline;
- marketing of cities and other habitat of the region should be a part of the general regional marketing strategy of the territorial development.

Hypothesis of the strategy is based on the assumption that successful development of the region's attractiveness depends on the efficiency management decisions made by the state and local governments.

#### 4. Conclusion

When seeking marketing opportunities and electing targets, marketers should become familiar with the supply chain management buyer-seller environment. They should also become familiar with the types of products and product situations that are prime candidates for supply chain management. Marketers must learn how to operate in a team environment with customers and channel members to set goals and determine performance measurements, ensuring that the goals and performance measurements are realistic from their point of view. Effective governance with a clear vision of strategic development directions that takes into account global trends and challenges of the time is essential for successful regional development; consistent implementation of the economic reform of decentralization of power and other national reforms; expected changes in public life, technological arrangements, quality of service delivery to the population; natural and climatic conditions of the territory and its possibilities; the public potential of the region and its resource potential. That is, marketing of the region, based on the analysis of the conditions of territorial development and sectoral specialization forms and promotes increase of investment attractiveness of the region.

For the formation and development of the regional marketing system considerable efforts are required, which are, first of all, connected with the formation of the institutional, organizational, economic and legal foundations of the regional market. However, these efforts are necessary because they are expected to bring significant benefits in the future. As a result of using the marketing strategy of the region, a solid foundation of relations between its subjects is formed.

A special place in the system of strategic management of the region, with the account of the competitive advantages, is the formation of a marketing strategy for the development of the territory, which is an integral part of regional economic policy.

An effective marketing system envisages conducting research of the needs of the population and business entities, forecasting the impact on them of the stages and results of the strategy implementation, development and sequential implementation of the regional development

strategy, tracking global trends, well-established public relations.

This discussion has provided an overview of the relatively new business environment known as supply chain management. The implications for marketing identified in this overview should be studied in more depth in individual supply chain management situations that have been in existence long enough to have results to evaluate. Decreasing the standard of living of the population because of the devaluation of the Ukrainian currency, decrease in the solvency of the population, high tariffs for utilities, tense emotional state of the population and military aggression in eastern Ukraine – these are factors which hinder the quality of social and economic growth and sustainable development, as the primary focus in the process of country's exit from crisis. However, the use of the marketing system in regional management is aimed at achieving the main strategic goal – creation of conditions for successful business and influx of investments in the industry; increase of attractiveness of the territory and its branding; providing conditions for comfortable living of the population with a developed social infrastructure as well as protection of the population and ecological moderation, all that is the basis for sustainable regional development.

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