

Effectiveness of Marketing of Business Structures as a Basis of Import Substitution in Russia: the Role of Information Technologies

Eficacia de la comercialización de estructuras empresariales como base de la sustitución de importaciones en Rusia: el papel de las tecnologías de la información

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ABSTRACT:

The purpose of the work is to substantiate the central role of information technologies in provision of high effectiveness of marketing of business structures, which lies in the basis of import substitution in Russia. The methodology of this scientific research is based on the method of horizontal and correlations analysis. The authors use horizontal analysis to determine the annual growth rate of import substitution in Russia. The authors use correlation analysis to study interdependence between the volume of import substitution and global competitiveness of economy, effectiveness of commodity markets, and marketing activity of entrepreneurship. The information and analytical basis of the research consists of the official statistics of the Federal State Statistics Service, the International Monetary Fund, and the World Economic Forum for 2013-2017. As a result of the research, the authors substantiate the thesis that information technologies play an important and decisive role in provision of effectiveness of marketing of business structures and achievement of import substitution.

RESUMEN:

El objetivo del trabajo es corroborar el papel central de las tecnologías de la información en la provisión de una alta efectividad en la comercialización de las estructuras empresariales, que se basa en la sustitución de importaciones en Rusia. La metodología de esta investigación científica se basa en el método de análisis horizontal y de correlaciones. Los autores utilizan el análisis horizontal para determinar la tasa de crecimiento anual de la sustitución de importaciones en Rusia. Los autores utilizan el análisis de correlación para estudiar la interdependencia entre el volumen de sustitución de importaciones y la competitividad global de la economía, la efectividad de los mercados de productos básicos y la actividad de comercialización del emprendimiento. La información y la base analítica de la investigación consiste en las estadísticas oficiales del Servicio Estatal Federal de Estadísticas, el Fondo Monetario Internacional y el Foro Económico Mundial 2013-2017. Como resultado de la investigación, los autores corroboran la tesis de que las tecnologías de la

The most perspective direction of using the modern information technologies in this respect is Internet marketing. The key advantage of this marketing tool is the fact that it does not violate the action of the market mechanism. Preserving the initiative for development of domestic entrepreneurship with business structures, Internet marketing allows reducing the load on the state budget, related to stimulation of domestic entrepreneurship, and eliminates the necessity for violating the international trade agreements.

Keywords: effectiveness of marketing, business structures, import substitution, Russia, information technologies, Internet marketing.

información desempeñan un papel importante y decisivo en la provisión de efectividad de la comercialización de las estructuras comerciales y el logro de la sustitución de importaciones. La dirección más perspectiva de uso de las tecnologías de la información modernas a este respecto es la comercialización de Internet. La ventaja clave de esta herramienta de marketing es el hecho de que no viola la acción del mecanismo del mercado. Al preservar la iniciativa para el desarrollo del emprendimiento doméstico con estructuras comerciales, el mercadeo por Internet permite reducir la carga del presupuesto estatal, relacionado con el estímulo del emprendimiento doméstico, y elimina la necesidad de violar los acuerdos comerciales internacionales.

Palabras clave: eficacia del marketing, estructuras empresariales, sustitución de importaciones, Rusia, tecnologías de la información, marketing en Internet.

1. Introduction

The need for import substitution and its influence on development of the national economic system is largely determined by the macro- and global economic situation. Viewing this situation through the prism of the Theory of economic cycles, it is possible to see that the phase of growth is usually characterized by high internal business activity in the economic system and stability of international economic connections.

That's why the need for import substitution is low – moreover, import substitution could be ineffective, as it supposes development of national production, in which domestic entrepreneurship does not possess any competitive advantages – which makes its commercial attractiveness low and leads to its dependence on state support and/or makes consumers purchases less competitive – as compared to foreign analogs – domestic products.

The phase of decline is usually accompanied by reduction of internal business activity and violation of international economic connections. In these conditions, import substitution is vital, as founding on international division of labor may lead to deficit, and import substitution allows avoiding it and stimulating internal business activity. This explains high topicality of studying the process of import substitution.

In this article, the authors offer a hypothesis that in modern Russia import substitution is conducted on the basis of development of infrastructural provision of entrepreneurship. Despite the importance and popularity of this form of state support for entrepreneurship, successful import substitution is based not on infrastructure but on high effectiveness of marketing of business structures, involved in this process. The purpose of the work is to verify the offered hypothesis and to substantiate the central role of information technologies in provision of high effectiveness of marketing of business structures, which lies in the basis of import substitution in Russia.

2. Materials and method

Methodology of this scientific research is based on the methods of horizontal and correlation analysis. The authors use horizontal analysis to determine the annual growth rate of import substitution in Russia. The volume of import substitution is calculated in the following way:

$$V_{imp} = [(S_{imp1} - S_{imp0}) / (-1)] * V_{icons} \quad (1)$$

where V_{imp} – volume of import substitution, monetary units;

S_{imp1} – share of import in the structure of internal consumption of products in current year, %;

S_{imp0} – share of import in the structure of internal consumption of products in previous year, %;

V_{icons} – volume of internal consumption of products, monetary units.

The share of import in the structure of internal consumption of products in previous year is calculated in the following way:

$$\text{Simp} = \text{Imp} * 100 / (\text{GDP} - \text{Exp} + \text{Imp}) \quad (2)$$

where Imp – volume of import, monetary units;

GDP – volume of gross domestic product, monetary units;

Exp – volume of export, monetary units.

With the help of correlation analysis, the authors study interdependence between the volume of import substitution and global competitiveness of economy, effectiveness of commodity markets, and marketing activity of entrepreneurship. The information and analytical basis of the research consists of official statistical information of the Federal State Statistics Service, the International Monetary Fund, and the World Economic Forum for 2013-2017 (Table 1).

Table 1
Dynamics of statistical values of indicators for analysis

Indicators	2013	2014	2015	2016	2017
GDP, \$ million	2,230,624	2,063,663	1,365,865	1,280,731	1,560,706
Export, \$ million	591,958	563,507	393,258	334,269	277,444
Import, \$ million	469,651	429,048	281,356	267,288	360,839
Volume of internal consumption, \$ million	2,108,317	1,929,204	1,253,963	1,213,750	1,644,102
Share of import in the structure of internal consumption of products, %	22.28	22.24	22.44	22.02	21.95
Volume of import substitution, \$ million	-	70,359	-247,916	504,505	121,982
Global ompetitiveness of economy, points	4.20	4.40	4.40	4.50	4.60
Effectiveness of commodity markets, points	4.00	4.10	4.10	4.20	5.00
Marketing activity of entrepreneurship, points	3.60	3.70	3.70	3.80	4.00

Source: compiled by the authors on the basis of (International Monetary Fund, 2017), (Federal State Statistics Service, 2017), (World Economic Forum, 2017).

3. Discussion

The possibilities and perspectives of application of modern information technologies in the interests of increase of effectiveness of marketing of business structures are studied in the works of such authors as (Popkova et al., 2016a), (Ragulina et al., 2015), (Bogoviz et al., 2017), (Orudjev et al., 2016), (Bogdanova et al., 2016), (Popova, et al., 2016b), (Kuznetsov et al., 2016), (Kostikova et al., 2016), and (Simonova et al., 2017).

At that, despite the diversity of existing studies and publications on this topic, the role and value of information technologies for provision of high effectiveness of marketing of business structures and successful import substitution are poorly studied and require further scientific research.

4. Results

The data of Table 1 show that the volume of import substitution in Russia is peculiar for instability. Thus, in 2014 it constituted \$ 70,359 million, in 2015 it was zero (negative value means growth of import), and in 2017 it constituted \$ 121,982 million, having increased by 73.37% as compared to 2014. The volume of state expenditures on stimulation of import substitution in Russia in 2015-2020 constitutes \$ 500 million (Garant.Ru, 2017), and, at first sight, the effectiveness of these measures is high – in 2017 it constituted $121,982/500=243$ (the result exceeded expenditures by 243 times).

However, deep study shows that import substitution in per cent expression constitutes less than 1% annually. That's why, despite the large excess over expenditures, the result is brought down to zero. It is probably caused by the fact that the main directions of implementation of the strategy of import substitution in Russia are development of transport infrastructure and energy complex, as well as provision of target credits with subsidized interest for entrepreneurs (Garant.Ru, 2017). The results received in the course of correlation analysis are given in Table 2.

Table 2
Results of correlation analysis of statistical values of indicators

Variables	Correlation of variables		
	Global competitiveness of economy	Effectiveness of commodity markets	Marketing activity of entrepreneurship
Volume of import substitution	46.47%	-	-
Global competitiveness of economy	-	79.19%	-
Effectiveness of commodity markets	-	-	95.20%

Source: compiled by the authors.

As is seen from Table 2, connection between the volume of import substitution and global competitiveness of economy of modern Russia is moderate (correlation – 46.47%), connection between global competitiveness of economy and effectiveness of commodity markets is strong (correlation – 79.19%), and connection between effectiveness of commodity markets and marketing activity of entrepreneurship is very strong (correlation – 95.20%). This shows that effectiveness of marketing of business structures is an important factor of import substitution.

This is explained by the fact that highly-effective marketing allows business structures to support connection with the market, setting close connections with consumers and receiving profitable conditions for working with intermediaries. Highly-effective marketing with moderate expenditures allows business structures to possess actual information on the market situation and to adapt to its change, showing sustainability to crises and supporting high competitiveness.

For determining the role of information technologies in provision of effectiveness of

marketing of business structures and achievement of import substitution, we performed analysis of causal connections and comparative analysis. It was determined that as compared to the traditional marketing, Internet marketing, which is ensured by application of the modern information technologies, provides quicker result.

Internet marketing guarantees high speed of exchange of marketing information of business structures' consumers and intermediaries, as well as distribution of reputation of business structures. Internet marketing allows strengthening positions in the market, which is especially actual for new business structures. Also, it allows collecting the necessary information on the market, thus developing the optimal tactics and strategy of development of business.

Secondly, Internet marketing allows business structures to gain advantages from the "scale effect" of marketing efforts, which is impossible with traditional marketing. Thus, successful Internet marketing does not requires from business structures to establish connection with all interested parties and targeted audience, which would be difficult for new business structures, as it requires the availability of customer list and actual information on each customer.

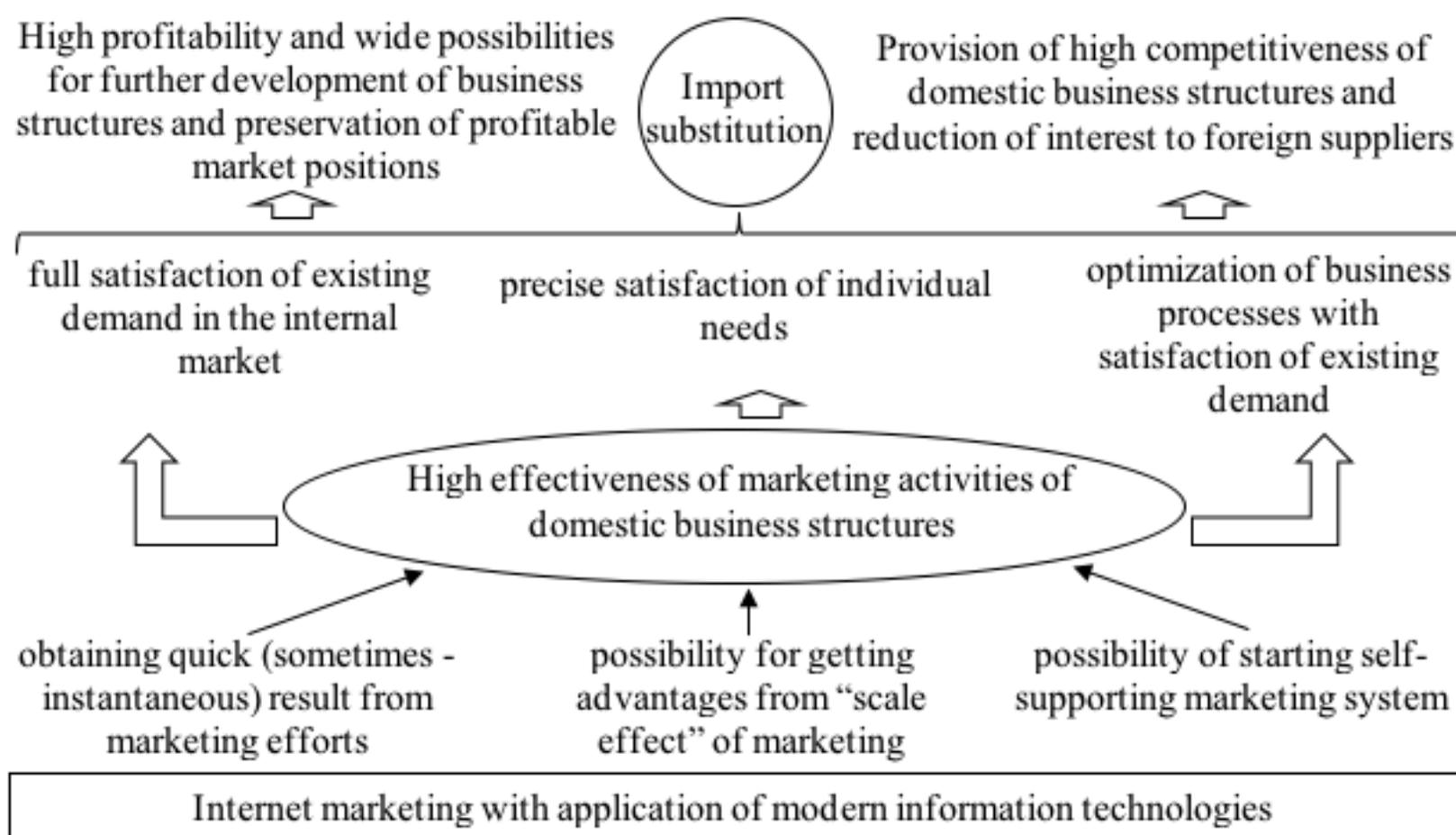
In case with Internet marketing, it suffices to start marketing communication with a small number of customers – who will distribute information on business structure among their contacts (virus marketing). Due to this, slight and short-term marketing efforts with fixed expenditures allow receiving long-term large-scale marketing result.

Thirdly, Internet marketing allows forming self-supporting marketing system of business structure. Having started a marketing process on the Internet, business structure can collect unlimited volume of feedback from interested parties, and one operator suffices for processing this information and answering the initiated queries. At that, marketing activities of the business structure will be conducted without its representatives' 24/7 presence on the Internet.

The influence of the above advantages of Internet marketing on effectiveness of marketing of business structures and import substitution in economy is shown in Figure 1.

Figure 1

The role of information technologies in provision of effectiveness of marketing of business structures and achievement of import substitution



As is seen from Figure 1, Internet marketing with application of modern information technologies ensures high effectiveness of marketing activities of domestic business structures. Thus, the fullest and most precise determination and satisfaction of individual needs of consumers are achieved, together with optimization of business processes – which allows maximizing the result with minimization of expenditures.

This stimulates the achievement of high profitability and provides wide possibilities for further development of business structures and preservation of profitable market positions. Also, high competitiveness of domestic business structures and reduction of interest to foreign suppliers are ensured. As a result, import substitution is a success.

5. Conclusions

Thus, it is possible to conclude that information technologies perform a decisive role in provision of effectiveness of marketing of business structures and achievement of import substitution. The most perspective direction of using modern information technologies in this respect is Internet marketing. The key advantage of this marketing tool is that it does not violate the action of market mechanism.

Preserving the initiative for development of domestic entrepreneurship with business structures, Internet marketing allows reducing the load onto the state budget, related to stimulation of domestic entrepreneurship, and eliminates the necessity of violation of international trade agreements.

In addition to this, due to high effectiveness, Internet marketing allows developing the existing and strengthening the market positions of new domestic business structures, thus starting the process of voluntary (supported and profitable for consumers) import substitution.

It should be concluded that modern information technologies could be used by foreign rivals for provision of effectiveness of their marketing. That's why their usage by domestic structures is a necessity for supporting competitiveness in the conditions of open economy.

However, transition to active use of Internet marketing in a lot of countries, including modern Russia, may require formation of more flexible consumer and business culture, related to new information technologies. For this, various tools of state management of economy could be applied – which is to be studied in further scientific research.

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