

BOOK OF ABSTRACTS

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WELCOME MESSAGE

Regional Entrepreneurial Ecosystems and Sustainability – Rethinking the Helix

In an increasingly global and feverish economy, regional cartography is not always sufficiently documented and discussed. At the same time, the narrative “trial-mistake” is often discouraged, considering that when success emerges one should hide hypothetical errors. In a scenario, in which the new industry paradigms and value-adding processes require a critical reflection on the sustainability of entrepreneurial ecosystems and on the relations between firms, governments, society and the processes of knowledge creation emerges the 4th International congress of Regional Helix, under the topic “*Regional Entrepreneurial Ecosystems and Sustainability - Rethinking the Helix*”.

Since its creation, the Regional Helix conference emphasizes the importance of cooperation and this edition is no exception and it results from a joint organization between the School of Technology and Management of the Polytechnic of Porto, through its research center (CIICESI), of the Polytechnic Institute of Castelo Branco, NECE (research center of the Department of Economics and Management of the University of Beira Interior) and University of Trás os Montes and Alto Douro.

The participation of several researchers from national and international institutions is an important step in the achievement of these aims. We are pleased to welcome colleagues from countries across the globe. We believe that this multiplicity reflects the interest that regional entrepreneurial ecosystems and sustainability issues have transversely across the world.

Finally, we would like to call your attention to the several publication opportunities that Regional Helix 2019 bring to you, and we invite all colleagues to submit their papers for the publications that better fit their research.

Welcome to the fourth edition of Regional Helix!

Vítor Braga & Marisa Roriz Ferreira
Chair and Co-Chair of the Organizing Committee



PARALLEL SESSION 15

RESEARCH OF MARKETING POTENTIAL OF UKRAINIAN STARTUP PROJECT

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Extended Abstract

Abstract

The main purpose of this work is to research of marketing potential of Ukrainian social startup project public restaurant «Urban Space» to choose and justify a marketing potential evaluation model that will have further application as well as setting recommendations based on it. The data was collected from official website «Urban Space» and from experts evaluation of marketing potential. To determine the marketing potential were chosen Batova and Krilova (2016) model. The level of the marketing potential of «Urban Space» within a general goal in 2017 was low (0.59). By 2018, was reached an average level of marketing potential (0.85). Based on the evaluation results of marketing potential within a specific goal, for implementation goal «increase of market share» the level of marketing potential is low (0.58), for implementation goal «customer retention» is an average level of marketing potential (0.63). Therefore, was recommend a number of factors for actively contributing of customer retention.

Keywords: Startup project, marketing potential, social startup, marketing potential of startup project.

1 Introduction

Theoretical and practical aspects of marketing potential of startups and the creation of prerequisites and factors for more effective use of marketing potential require a more detailed study. Managers especially need to pay attention to determine the marketing potential. Such potential can be found by analysing the current state of marketing potential and major trends of its changes. Application of complex indicators that would provide an adequate and overall assessment of marketing potential level have practical importance, as a basis for making recommendations for improvement of marketing activity.

The main purpose of this paper is to research a marketing potential to choose and justify a marketing potential evaluation model that will have further application as well as setting recommendations based on it. Also it is important to take into account the systemic nature of the marketing potential, the external and internal environment of its formation, the target orientation of the potential, the availability of the information to be obtained and the practical simplicity of the methodology used and visual presentation of the results of calculations. The object of conducted research was marketing activity of the Ukrainian social startup project public restaurant «Urban Space».

In the empirical part, the paper describes and analyses the data of expert's evaluation of marketing potential that carried out in dynamics in 2017 and 2018 years. The data was collected from official website and by sending a personal request to the public restaurant «Urban Space» for getting experts evaluation of marketing potential. The detail and expanded of marketing potential: marketing potential within a general goal, marketing potential within a specific goal, reserve marketing potential and maximum possible marketing potential. In the analysis, the reduction of individual indicators of marketing potential in integral. For this expert method, the weight of individual indicators was established. According to Batova and Krylova (2016) model, the evaluation scale of Ukrainian social startup project public restaurant «Urban Space» of marketing potential provides 3 levels: low (Index is from 0.0 to 0.6); average (Index is from 0.6 to 1.5) and high (Index is from 1.5 to 2.3).

This paper is divided into 3 main chapters. The first theoretical part included three sections. The first section concerns the essence, value and structure of marketing potential. The second section concerns the methodological approaches to assessing of marketing potential. The second chapter is a methodology's explanation, where the method of how the marketing potential was evaluated and database was formed is shown in three subgroups. Finally, the last part of the study illustrates the analysis and empirical results of the given study. All the results are summarized in the conclusion part of paper, which presents the most important findings of this work.

2 Literature Review

According to Balabanova and Mazhinsky (2014) the interest to the category of company potential was appeared at 1970's - 1980's. After was published works that contained various aspects of the concept definition of potential. There was a discrepancy in the interpretation of the potential definition, structure and relation with other categories. Marketing potential is a relatively new economic category. However, a small theoretical foundation for interpreting and evaluating has already been established. Marketing potential is one of the most important concepts of the modern marketing, because of most effective use of this category, company will be able to determine current status, to identify hidden reserves and develop effective strategies for future development. Gulyaev (2001) proposed a complete potential composition of a small enterprise: general management, financial management, production, research and development activities, personnel, culture of relations and marketing. The author did not detail the structure of marketing potential. The concept of marketing potential in the scientific literature was recently relatively appeared. It should be noted that now, as well as for the concept of the company's potential, not provided clear and clear dismissal of the structure of marketing potential and its essence. Lysenko (2010) was highlighted that the maximal possible using of marketing potential is a strategic task of enterprises. However, very often modern company do not fully use their marketing potential, or even do not use of it. Actually, the essence of marketing potential concept until now are incompletely disclosed. The concept of marketing potential according to Batova and Krylova (2016) is one of the most ambiguously interpreted concepts, it is very important to identify the elements of structure and the links that arise between them. This will allow comprehending the process of formation and implementation structure of marketing potential, which has great scientific and practical importance.

In modern conditions, a lot of companies do not fully use marketing potential, because of lack of understanding of its role and the need to develop an effective mechanism for managing of marketing potential, the evaluation possibility in order to maximize the satisfaction of users groups, to formation of strategic directions of activity (Oliynyk & Ivanenko, 2016). According to Batova and Krilova (2016), marketing potential of enterprise represents a certain function of resources, reserves, abilities for use and opportunities of the environment. Determined by the objectives of marketing activities, factors of uncertainty of external environment, risks and synergy effect. The assessment of the marketing potential in the framework of developed method involves need to determine the level of the investigated potential, as aggregate of its forming elements, from the position of the target oriented marketing potential and accounting for trends related to risk assessment and synergy. In consequence of the formation of effective system of marketing potential, company have competitive advantages, therefore it is expedient to determine the scientific approaches to study its (Romanova, 2015). According to Batova and Krylova (2016) methodology should take into account the systemic character, the external and internal environment of formation of the potential, the target direction, and also are availability of necessary information and easily for practical application. Therefore, this model was chosen for application in this paper. To determine marketing potential, will used an additive-multiplicative for calculation of polygon area and constructed based on the values of complex potential indicators

3 Research Methodologies

3.1 Objectives of study and description of data collection

The main objective of this study is the selection of an evaluation model of the marketing potential of Ukrainian startup project public restaurant Urban Space, propose recommendations for their solution and the subsequent application of it for the evaluation of Ukrainian startup projects.

For the comprehensive diagnostics of marketing potential of Ukrainian social startup project was chosen - the public restaurant «Urban Space», the data was collected from the official website «Urban Space 100 ». Evaluation of marketing potential of the public restaurant were carried out in dynamics for 2017 and 2018 years. Before proceeding the assessment, was formed a working group with four experts. During the period of April, was sent a personal request for getting information about general state and marketing activity of social startup project. Four experts of company evaluated the marketing potential of the startup project. An expert assessment was based on filled a questionnaire cards.

3.2 Description of Data Analysis

The Batova and Krilova (2016) model were chosen for evaluation the level of marketing potential. The main idea of this methodology is the interpretation of the quantitative assessment of the marketing potential in a geometric figure polygon. In according to the analysis, for reduction of individual indicators of marketing potential change into one - integral. For expert evaluation method, the weight of individual indicators was established. To determine the marketing potential of additive-multiplicative model used calculation of the area of a polygon that are constructed based on the values of complex potential indicators. As a comprehensive assessment indicator of marketing potential are: resource subsystem, reserve subsystem, abilities subsystem, capabilities subsystem, management subsystem, and synergy. It also necessary to consider the probability of manifestation of factors of the uncertainty of the external environment in the form of risks. Also detailed and expanded marketing potential: marketing potential within a general goal, marketing potential within a specific goal, reserve marketing potential and maximum possible marketing potential.

The quantitative assessment of resources subsystem of marketing potential involves the calculation of several types of indicators (absolute, relative, quantitative and qualitative) for 12 types of resources, that are bringing the individual indicators to a single scale of measurement from 0 to 1, which are separate and independent study. For their evaluation, it was used the method of expert assessments. Each individual indicator is evaluated based on an expert survey in points from 0 to 1. An expert assessment based on filled questionnaire by certain types of resources of the marketing department - high, average or low. Equations for calculating of complex indicators of marketing potential, the weight factors of the individual indicators and the group indicator are presented in Table 1.

Table 1. Equations for calculating of complex of marketing potential indicators (Adapted from Batova and Krilova (2016, pp. 92-120).)

Indicator	Equation	Marketing
P_1 - a comprehensive indicator of security of marketing resources	$P_1 = \frac{\sum_{i=1}^n r_i}{n} \alpha_i$	r_i - i-t unit indicator of marketing resource availability; α_i - magnitude of the i-n unit index; n - number of units that participate in the evaluation (in this case, n = 12)
P_2 - a complex indicator of the development of marketing abilities of employees	$P_2 = \frac{\sum_{i=1}^n c_i}{n} \alpha_i$	c_i - the i-t unit indicator of development of marketing abilities of employees; α_i - the magnitude of the i-th unit index; n - number of units that participate in the evaluation (in this case, n = 8)
P_3 - a complex indicator of attractive marketing capability	$P_3 = \frac{\sum_{i=1}^n v_i}{n} \alpha_i$	v_i - the i-t unit indicator of probability of realization of the possibility; α_i - the magnitude of the i-t unit index; n - number of units that participate in the assessment
P_4 - a complex indicator of marketing management potential	$P_4 = \sum_{i=1}^n y_i \alpha_i$	y_i - i-t group indicator of marketing potential management; α_i - weight of the i-t group index; n - number of group indicators involved in the assessment (in this case, n = 3)
K_R - decreasing coefficient of change of the marketing potential	$K_R = 1 - \prod_{i=1}^n g_i$	g_i - probability of occurrence of the i-t type of risk; n - number of individual indicators involved in the assessment (in this case, n = 4)
S - comprehensive indicator of the level of synergy	$S = \sum_{i=1}^n S_i \alpha_i$	S_i - i-t group indicator of the level of synergy; α_i - weight of the i-t group indicator; n - number of group indicators involved in the assessment (in this case, n = 4)
α_i - weight factors of the individual indicators of availability of resources of marketing	$\alpha_i = \frac{\sum_{j=1}^n f_{ji}}{\sum_{j=1}^n \sum_{i=1}^n f_{ji}}$	$\sum_{j=1}^n f_{ji}$ - the sum of ranks, with by all experts on the i-t indicator; $\sum_{j=1}^n \sum_{i=1}^n f_{ji}$ - the sum of the rank assigned by all experts on all indicators.
y_1 - a group performance indicator of the main functions of the marketing department	$y_1 = \frac{\sum_{i=1}^n x_i}{n} \alpha_i$	x_i - the i-t unit indicator of the quality performance of the main functions of the marketing department; α_i - the magnitude of the i-t unit index; n - number of units that participate in the assessment (in this case, n = 14).
y_2 - a group indicator of rationality of the organizational structure of the marketing department	$y_2 = \frac{\sum_{i=1}^n o_i}{n} \alpha_i$	o_i - the i-th unit indicator of rationality organizational structure of the marketing department; α_i - weight of the i-th single indicator; n is the number of individual indicators involved in the assessment (in this case, n = 7).
y_3 - a group indicator of personal qualities of employees of the marketing department in the field of management	$y_3 = \frac{\sum_{i=1}^n l_i}{n} \alpha_i$	l_i - the i-t single indicator of personal qualities of employees of the marketing department in the field of management; α_i - weight of the i-t single indicator; n is the number of units by indicators involved in the assessment (in this case, n = 10).

To determine the level of the marketing potential according to additive-multiplicative model used the calculation of polygon area, that are built based on the values of complex indicators. The rules in according to which a polygon is constructed for a company are presented in Table 2. The calculation of the polygon area characterizes the real result of the assessment of the marketing potential that is a value of this indicator determines its quantitative assessment.

Table 2. Rules for building of marketing potential polygon (Batova and Krilova (2016, p. 121))

Rules	Characteristic
Number of vectors = Number of complex indicators	From one point are vectors, the number of which is equal to the number of selected complex indicators characterizing the marketing potential of the enterprise
Determining the angle between vectors	The angle α between the vectors is the same and is calculated as follows: $\alpha = \frac{360^\circ}{\text{Number of complex indicators}}$
Fixing the reduced values	On each vector, the reduced value of the corresponding complex indicator from 0 to 1 is postponed.
Dumping points in a polygon	The resulting points, corresponding to the value of complex indicators, connect, and a polygon is obtained.

4 Discussion and Results

Marketing potential is an integral part of general company potential, ensuring its constant competitiveness, economic and social demand for goods / services on the market, thanks to effective marketing activities. In order to improve marketing activities, market orientation, obtaining opportunities to attract additional consumers and investments, it is necessary to assess the marketing potential, as well as to manage it in a targeted and timely manner.

Complex diagnostics of marketing potential will be carried out for Ukrainian social startup project public restaurant «Urban Space». Evaluation of the marketing potential of the social restaurant will be carried out in dynamics, to determine the level of the marketing potential for 2017 and 2018 years. Before proceeding of evaluation, a working group of four experts was formed.

First of all, evaluate marketing potential of a public restaurant «Urban Space» within the framework of a general goal, that is, the implementation of marketing activities in general. For this, was quantify the complex indicators: resources subsystem, abilities subsystem, capabilities subsystem, management subsystem, synergy and risks. Based on a comprehensive assessment it possible to implement following indicators of the integrated indicators of marketing potential. In Table 3 presents calculated values of the complex indicators of the marketing potential of public restaurant «Urban Space» in 2017 and 2018 years.

Table 3. Estimated values of integrated indicators of marketing potential within a specific goal, 2017-2018.

Year	Resources Subsystem P1	Ability subsystem P2	Possibilities Subsystem P3	Management subsystem P4	Synergy S	Risks
MP 2017	0.64	0.48	0.63	0.46	0.41	0.91
MP 2018	0.67	0.68	0.82	0.55	0.42	0.90

Define the quantitative assessment of the marketing potential of the restaurant in the dynamics:

$$MP_{O2017} = \frac{1}{2} \sin(72^\circ) (0.64 * 0.48 + 0.48 * 0.63 + 0.63 * 0.46 + 0.46 * 0.41 + 0.41 * 0.64) * 0.91 = 0.59;$$

$$MP_{O2018} = \frac{1}{2} \sin(72^\circ) (0.67 * 0.68 + 0.68 * 0.82 + 0.82 * 0.55 + 0.55 * 0.42 + 0.42 * 0.67) * 0.90 = 0.85$$

Thus, according to calculations above, the level of marketing potential of social startup project public restaurant «Urban Space» for 2017 can be characterized as low (0.59). In most of the subsystems of the investigated potential there are infractions: problems with the provision of the marketing department with the necessary management, low development of the abilities that are necessary for carrying out marketing activities in general, and also a very low degree of synergy between subsystems. However, all of this cannot to affect importantly on the effectiveness of marketing activities and to achievement of the target goals of the restaurant.

By 2018 year, public restaurant reached an average level of marketing potential. It was achieved by the way of increase development of the abilities and possibilities that are necessary for carrying out marketing activities in general, the positive dynamics of indicator with the provision of the marketing department with the necessary resources.

Analysing the calculations below, can conclude, that for realization of the second goal - increasing of market share - the public restaurant has a low level of marketing potential (0.58). This indicates with problems of provision of marketing department with the necessary resources, weak development of abilities, low quality of potential management system and a low degree of synergy between all subsystems. These negative trends indicate the impossibility of achieving the goal, or small prospects for its effective implementation. For implementation of the first goal - customer retention - public restaurant has an average level of marketing potential.

Table 4. Estimated values of integrated indicators of marketing potential within a specific goal, 2017-2018

Year	Resources Subsystem P1	Ability subsystem P2	Possibilities Subsystem P3	Management subsystem P4	Synergy S	Risks
Customer retention	0.62	0.57	0.74	0.46	0.43	0.83
of Increase market share	0.52	0.53	0.81	0.44	0.37	0.86

Define the quantitative assessment of the marketing potential of the restaurant in the dynamics:

$$MP_{K1} = \frac{1}{2} \sin(72^\circ) (0.62 * 0.57 + 0.57 * 0.74 + 0.74 * 0.46 + 0.46 * 0.43 + 0.43 * 0.62) * 0.83 = 0.63;$$

$$MP_{K2} = \frac{1}{2} \sin(72^\circ) (0.52 * 0.53 + 0.53 * 0.81 + 0.81 * 0.44 + 0.44 * 0.37 + 0.37 * 0.52) * 0.86 = 0.58;$$

4 Conclusions

Research of marketing potential is a prerequisite for the effective marketing functioning of the company. There is a significant amount of theoretical work of this issue. However, most of them are not implemented and not verified. It should be noted, that Ukrainian startup projects pay not enough attention to research marketing potential and its evaluation.

In the paper does not assess the subsystems of reserves, which determine the practical reserve marketing potential at the moment is not possible. These concept is introduced to the purpose of a comprehensive analysis of considered potential and also to formation of a targeted idea of the marketing potential. The introduction of the reserve marketing potential is ensured by the instability of the external environment, which is an inappropriate attribute of the development of marketing potential. In this regard, it is important for marketing department has a certain amount of resources that are in the reserves and not purchased in the marketing activities. This reserve can be used for adapting the marketing approach to possible changes on the market and for reproducing systems in optimal structural proportions in the long run period. Thus, the methodology for evaluating the reserves subsystems is actual scientific and practical task, and represents a direction for further research.

The implementation of the methodology based on Ukrainian social startup project public restaurant «Urban Space». The assessment was carried out in dynamics, the level of marketing potential determined for 2017 and 2018 years. Evaluated marketing potential within a general goal, marketing activities in general. For this, the quantitative

assessment of complex indicators was given: resources subsystem, abilities subsystem, capabilities subsystem, management subsystem, synergy and risks.

The level of the marketing potential of startup project in 2017 was characterized as low (0.59). In most of the subsystems of the investigated potential were: problems with the provision of the marketing department with the necessary resources, poor development of the abilities necessary for carrying out marketing activities in general, as well as a very low degree of synergy between subsystems.

By 2018, the public restaurant «Urban Space» reached an average level of marketing potential (0.85). Were concluded that, marketing department in general, functions quite successfully, however, not afford to realize of all opportunities provided by the external environment and not achievement of all goals. The marketing department has some difficulties in terms of insufficient resources and the degree of development of abilities, as well as a low degree of synergy between the subsystems.

Based on the evaluation results of marketing potential within a specific goal, for implementation goal «increase of market share» public restaurant has a low level of marketing potential (0.58), for implementation goal «customer retention» public restaurant has an average level of marketing potential (0.63). Therefore was recommend a number of factors for actively contributing of customer retention. Thus, the results of this study identify certain existing and related problems in the theory and practice of research and assessment of marketing potential, which can become directions for future research.

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