

## Artículo de investigación

## The Industrial and Trade Policy of an Enterprise: Research of Principles and Methods and Change Depending on Geographical Features

Промышленная и торговая политика предприятия: исследование принципов и методов и их изменение в зависимости от географических особенностей  
 Política industrial y comercial de la empresa: un estudio de los principios y métodos y su cambio en función de las características geográficas

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### Abstract

The aim of the presented research is to analyze the principles and methods of industrial and trade policy of enterprises for the production of everyday goods and their possible change depending on geographical features. The paper clarifies the concepts and components of industrial and commercial politics of enterprises, their simultaneous interrelation and independence are shown. Based on the expert enquiry, the principles and methods of industrial and trade policy of enterprises for the production of everyday goods are formulated and classified depending on the purpose of their application; their content is specified, and their variability is shown depending on geographical features.

**Keywords:** trade policy, industrial policy, production activity, everyday goods, geographical features.

### Аннотация

Целью представленного исследования является анализ принципов и методов промышленной и торговой политики предприятий по производству товаров повседневного спроса и их возможного изменения в зависимости от географических особенностей. В статье уточнены понятия и составляющие промышленной и торговой политик предприятий, показана их одновременная взаимосвязь и самостоятельность. На основании экспертного опроса сформулированы и классифицированы принципы и методы промышленной и торговой политики предприятий по производству товаров повседневного спроса в зависимости от цели их применения, уточнено их содержание, показана их изменчивость в зависимости от географических особенностей.

**Ключевые слова:** торговая политика, промышленная политика, производственная деятельность, товары повседневного спроса, географические особенности.

### Resumen

El propósito de la investigación presentada es analizar los principios y métodos de las políticas industriales y comerciales de las empresas para la producción de bienes de consumo y sus posibles cambios según las características geográficas. El artículo aclara los conceptos y componentes de las políticas industriales y comerciales de las empresas, muestra su relación e independencia simultáneas. Sobre la base de una encuesta de expertos, se formularon y clasificaron los principios y métodos de la política industrial y comercial de las empresas productoras de bienes de consumo, según el propósito de su aplicación, se aclaró su contenido y se mostró su variabilidad según las características geográficas.

**Palabras clave:** política comercial, política industrial, actividades productivas, bienes de consumo, características geográficas.

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## Introduction

The most important element of the commercial activities of industrial enterprises is the implementation of an elaborate industrial and trade policy including flexibility and dynamicity of production, as well as orientation on the satisfaction of the needs of customers.

In the opinion of T.A. Mezheritskaya, the industrial policy of an enterprise (hereinafter referred to as IPE) is a set of unified directions of activities and intentions related to the goods production. At the same time, the following directions of activities are included in the content of IPE: commodity code listing, production volume and manufacturing quality level, technology and organization of production processes, production management structure, production equipment and reserves (Mezhetskaya, Mezhetsky, 2015).

Sh.M. Valitov suggests that the choice of a specific direction of IPE is made with consideration of such provisions as estimation of technical and technological, financial and economic state of the enterprise; consideration of the possibilities of constant competitiveness of the products as the foundation for a stable financial and economic situation; constant analysis of internal and external markets; analysis of the resource needs of the enterprise; the existence of a sales network. In the author's opinion, an effective IPE should ultimately contribute to the trade policy of the enterprise (hereinafter – TPE) (Valitov, Safiullin, 2010).

E.N. Lantsman agrees with the last statement. In his opinion, IPE has a significant influence on the implementation of the decisions made for the whole of the enterprise including TPE (Lantsman, 2006).

However, as E.L. Smolyanova believes, IPE and TPE are quite independent and have their own benchmarks, goals, and indicators (Smolyanova, 2009). For example, production from the standpoint of achieving maximum efficiency tends to reduce the range of products in order to reduce costs, use the production capacities more efficiently and, thus, increase market competitiveness. On the contrary, from the point of view of sales policy, the increase in the types of products leads to gaining competitive advantages.

In general, TPE includes such components as the choice of suppliers and determination of consumers, the formation of sales channels,

pricing for products, profit and profitability planning, determining the company's share in the market, marketing decisions, consideration of geographical features, etc.

Directly, TPE contains the following components:

- trade policy, which includes, in turn, the product portfolio policy related to the issues of the range of products in accordance with market needs, and the branding policy, which consists in determining the goods trademarks, their filling and market positioning;
- pricing policy, which consists in determining the principles and methods of pricing for products;
- sales policy, which is based on the analysis of the needs, demands, and preferences peculiar to consumers of the products manufactured by the enterprise;
- personnel policy, which is the main direction, as well as a set of principles, methods, rules, and norms in the field of work with personnel;
- communication policy, which is a set of measures aimed at the formation and maintenance of regular communications between the enterprise and the market environment in order to increase sales of products and create a positive image of the enterprise.

These components closely interact; therefore, the achievement of TPE goals is determined by the effectiveness of each of them.

The aim of the study: analysis of the principles and methods of industrial and trade policy of enterprises for the production of everyday goods and their change depending on geographical features.

Research hypothesis: principles and methods of industrial and trade policy of enterprises for the production of consumer goods are closely related to the purposes of their application and are aimed at increasing the competitiveness and level of economic security of enterprises.

## Methods

The aim of the study: research of principles and methods of industrial and trade policy of an enterprise and their change depending on geographical features.

The main research method was the analysis of scientific literature on the research problem, as

well as a survey of experts in the field of IPE and TPE held in February 2018.

The survey involved experts in the field of production economics and production management (25 people); 5 of them were economists; 10 – executives, managers of enterprises for the production of everyday goods; 10 – employees of the sales departments of enterprises for the production of everyday goods.

The choice of experts representing different approaches (both theoretical and practical) to IPE and TPE of enterprises – the scientific community, production management and marketing – will allow, in the authors' opinion, to highlight some problematic issues of principles and methods of industrial and trade policy of enterprises.

A number of questions were posed to the experts that implicate the choice of several statements and are related to the principles and methods of industrial and trade policy of enterprises and their change depending on geographical features, the

purposes of their application, and the classification of principles and methods of industrial and trade policy of enterprises depending on the objectives of their application. Data processing was performed using the MS Excel spreadsheet.

## Results

Regulation (85% of the respondents), harmonization (80%) and development (75%) were named by the majority of the experts as the main goals of applying the principles and methods of industrial and trade policy of enterprises.

Tables 1 and 2 give a summary of principles and methods of industrial and trade policy of enterprises for the production of everyday goods (and their change depending on geographical features) according to the purpose (regulation, harmonization, and development) of enterprises, which are aimed at increasing the level of economic safety of the given enterprise.

**Table 1: The content of principles of IPE and TPE for EG production depending on the purpose of the application**

Purpose of application	Principle	Content of the principle
	The principle of effectiveness of managerial processes in production and trade at the enterprise (PEMP)	The realization of the principle emphasizes the importance of the fact that infrastructure and technological resources for each phase of production and trade projects have the necessary minimum of their functional completeness, which guarantees cost-effective production and sales of products.  Does not depend on geographical features.
Regulation	The principle of compulsory improvement of management practice in production and trade based on changes in the external and internal environment of the enterprise (PIMP)	The realization of the principle ensures the elimination of complexities at the enterprise, which involves the refusal of all established rules for conducting PTA, previously firm principles of implementing managerial processes, and rational transition to innovative (effective) technologies for production and sales of products. This principle also allows the enterprise to use endemic technologies for creating an information product which are aimed at implementing more effective forms of communication with target audiences and that are in line with the strategic objectives of PTA in the market of EG in the current competitive situation.  Does not depend on geographical features.
Harmonization	The principle of ensuring harmonicity of production and sales at the enterprise (PEH)	The principle of ensuring harmonicity of production and sales at the enterprise is associated with the identification and elimination of inconsistencies between the elements of the system, individual production and trade operations,

which are called disproportions in the development of the enterprise. The principle of ensuring harmonicity of production and sales at the enterprise is focused on the elimination of distortions of data and increasing the level of efficiency of the agreed PTA according to the ES level of the enterprise. In addition, the realization of this principle will facilitate the effective use of norms and rules developed on the basis of organizational experience and scientific research to maintain an agreed PTA of the enterprise.

Does not depend on geographical features.

The principle of ensuring synergy and flexibility of PTP at the enterprise (PESF)

The principle of ensuring synergy and flexibility of PTP will allow solving the problems of strategic vulnerability and the problem of reducing the level of ES of the enterprise for EG production. Within the framework of the principle, it is important to choose such spheres of perspective activity, resource zones, influence groups which are largely dependent on different technologies, require diverse cultural, economic, and social conditions under which unexpected events for production and sales will not affect the economic safety of the enterprise.

Does not depend on geographical features.

The principle of innovation and environmental friendliness of PTP at the enterprise (PIEF)

The realization of the principle makes it possible to understand the main objective of modern innovation and economic processes for the development of enterprises for EG production, namely: combination of economic, innovation and environmental interests in the implementation of new knowledge and ideas for the production and sales of EG for the practical and effective use of the knowledge and ideas in order to meet the reasonable needs of EG buyers in the current conditions of the development of society and the considered field of activity.

Does not depend on geographical features.

Development

The principle of enhancing the innovation and environmental value of enterprise products for target audiences (PSIEV)

The realization of the principle allows EG manufacturing enterprises to understand the fact that all PTA should be divided into operations and processes that form the innovation and environmental value of products for consumers, as well as processes that do not add innovation and environmental value to the products for consumers. The main task in the framework of the realization of the considered principle is a gradual reduction in the proportion of PTP and the operations that do not add innovation and ecological value to the products for the subsequent optimization of the costs structure for production and sales, as well as for the subsequent growth of the level of the enterprise's ES.

Does not depend on geographical features.

Note: abbreviations used (hereinafter): PTP – production and trading processes, PTA – production and trade activities, EG – everyday goods, ES – economic security.

**Table 2: The content of TPE and IPE methods of enterprises for the production of EG depending on the purpose of the application**

Purpose of application	Method	Method content
Regulation	Scenario method for development and implementation of the enterprise's PTP (SMDI)	The method focuses on the formation of centers of competence at the enterprise, which are related to modeling and increasing the efficiency of production and sales of EG including a unified monitoring and control of results, coordination and harmonization of all PTP in order to achieve a high level of ES. Depends on geographical features.
	The method of economic modeling of PTP at the enterprise (MEM)	The method focuses on modeling the production-technological and socio-economic levels of the enterprise for the production of EG so that all decisions based on the method of economic modeling of PTP at the enterprise are aimed at ensuring the proportional development of PTP according to the criterion of the achieved level of ES. Does not depend on geographical features.
	The method of optimization of the enterprise's brand portfolio for EG production (MOBP)	The method of optimization of the enterprise's brand portfolio for EG production targets the effective management of marginal revenue, shares of net profit in relation to the company's revenue by focusing PTP on the reasonable needs of the most typical consumers of products. For rational search for options for optimizing the brand portfolio of an enterprise for the production of EG, it is important to calculate and understand the conditions for the formation of the following indicators for the implementation of PTP: the break-even point, level of marginal rate of return, cost of production, the volume of sales. Depends on geographical features.
Harmonization	The method of digitalization of the agreed PTP of the enterprise (MD)	The digitalization method directs the enterprises producing EG in organizing their PTP in the framework of possible consideration and effective application of a combination of modern digital channels and promotion methods, sales of EG from the point of view of satisfying the reasonable needs of consumers and creating a rational model of their consumer behavior through the implementation of the principles of corporate social responsibility at the enterprise. Does not depend on geographical features.
	The method of environmental auditing of PTP at the enterprise (MEA)	The method focuses on compulsory energy usage evaluation, the choice of possible ways of reducing energy and resource consumption in general, conducting an integrated estimation of the company's long-term strategy for PTA taking into account the enterprise's environmental characteristics and identified potential business partners with an environmentally oriented management system, conducting a comprehensive assessment of the required costs for the implementation of environmental aspects of PTA in the framework of the resource support for the reconstruction, redevelopment, expansion, and closure of certain business units.
Development		

Depends on geographical features.

The method of development and implementation of foresight projects (foresight sessions) for the development of the enterprise's PTP (MDI)

The method focuses on the development and implementation of foresight projects as a sequence of a number of interrelated projects that are aimed at solving a system of interconnected tasks of conducting efficient production and trading activities, as well as creating a balanced and coherent idea of possible long-term prospects in the development of technology, innovation, the EG market and methods of securing the ES of enterprises.

Does not depend on geographical features.

Table 3 presents the principles and methods of industrial and trade policy of enterprises for the production of everyday goods, which, in the

expert survey, have the maximum percentage of references in the experts' answers.

**Table 3: Principles and methods of enterprises' PTP for the production of everyday goods depending on the purpose of the application**

Purpose of application	Principle	% of references	Method	% of references
Regulation	PEMP	70	SMDI	70
	PIMP	60	MEM	55
Harmonization	PEH	75	MOBP	80
	PESF	65	MD	65
Development	PIEF	65	MEA	55
	PSIEV	60	MDI	55

Thus, from the point of view of the experts, the most significant principles and methods of enterprises' PTP are the principles and methods of regulation and harmonization.

According to experts, the principles of TPE IPE for the production of EG should be strictly followed by all enterprises regardless of geographical features. At the same time, some methods of TPE and IPE may vary depending on geographical features.

### Discussion

Considering the principles and methods used to regulate PTP at an enterprise, the following should be noted.

Some experts note that the principle of effectiveness of managerial processes in production and trade emphasizes that the management system for PTP at the enterprise should be connected not to the products but to a wider range of them. Consequently, in accordance with this principle, it is better to plan the production according to the existing resources of the enterprise.

In the implementation of this approach, in the opinion of I.V. Aleshina, the universality of all enterprises created by PTP is important. In addition, this principle allows correcting technical and economic indicators of the effectiveness of managerial processes in the medium term based on the results of simulated PTP modeling (Aleshina, 2013).

The principle of compulsory improvement of management practice in production and trade based on changes in the external and internal environment of the enterprise, according to the experts, points to the importance of strategic orientation of all managerial processes. Thus, effective results can be obtained only in the context of reorganization of all processes in general, but not within the framework of restricted aspects of transformation conditions and opportunities for conducting production and trading activities (PTA).

Simultaneously, according to A.E. Pilin, the principle of compulsory improvement of management practice focuses on the importance of a qualitative leap, which provides that the

company, while ensuring its ES by improving the management processes, does not aim to eradicate certain shortcomings while conducting PTA, but to realize a revolutionary breakthrough in production and sale technologies (Pilin, 2013).

As the experts believe, the scenario method for development and implementation of PTP allows directing the enterprise in developing and implementing programs for restructuring the activities of PTA by taking into account the trends, patterns of development of the EG markets, and some geographical features as well. Moreover, according to V.V. Shilov, the scenario method makes it possible to stimulate the creation of effective PTP for the sales of products based on monitoring, control of production and sales in the EG market, including improving the effectiveness of the company's interactions with institutional and government structures for providing the necessary resources to the enterprise (Shilov, 2013).

The method of economic modeling of PTP, according to experts, is connected with network planning of PTP, which is used to optimize all taken decisions and to organize and monitor their implementation in terms of the required level of ES as well. Besides, A.O. Ovcharov believes that the method of economic modeling makes the forming of PTP sustainable taking into account the resource base and the conditions for conducting PTA in a highly competitive market of EG (Ovcharov, 2014).

Considering the principles and methods used to harmonize PTP at the enterprise, the following should be noted.

According to some experts, the principle of ensuring harmonicity of production and sales highlights the fact that the system for the agreed PTP at the enterprise manufacturing EG should strive to ensure optimal mutual location and performance of individual production and trading operations, and to establish the optimal quantitative relations between data operations in terms of market opportunities, resource, management, and infrastructure capabilities.

Achieving the required proportions and conformity of production and trade processes within the boundaries of the enterprise, according to S.V. Gorin, is equivalent to increasing the level of vitality, as well as increasing the level of development and self-preservation of the enterprise from the point of view of its ES (Gorin, 2003).

According to the experts, the principle of ensuring synergy and flexibility of PTP allows the enterprise to prepare for possible problems, both in the external and internal environments of its activities. In this connection, A.B. Teslya states that the conservative management of the enterprise will try to distribute the risks of mismatching production and trade processes (Teslya, 2002).

The basis for the implementation of the method of optimization of the brand portfolio, according to the experts, is the study of demand for stock key units of the enterprise; this demand is carried out by approximants with a mandatory consideration of geographical features. To gather the necessary information, in the opinion of G.V. Danilov, the enterprise should use its own information resources, as well as information obtained from external sources and the results of quantitative and qualitative research (Danilov, Voinova, Ryzhova, 2012).

As for the method of digitalization of PTP, the experts believe that its application represents a large choice of tactics in the sphere of harmonization of goals and objectives of production, sales, promotion; it also involves the transformation and increase of the efficiency of infrastructure services for the company's subdivisions and aftersale service at the enterprise for the production of EG.

According to the German researchers (Geissbauer, Schrauf, Bertram, Cheraghi, 2017), the digitalization of the enterprise is connected with the conduct of activities on targeted and interactive sales and production, within which digital technologies are used; they are related to attracting potential consumers and their retention.

Considering the principles and methods used for the development of PTP at the enterprise, the following should be noted.

The principle of innovation and environmental friendliness of PTP, according to experts, guides the company's management to mandatory implementation of a review of production and trade technologies implemented at the enterprise, to conduct of an economic and environmental evaluation of the company's state. Moreover, while realizing that principle, according to James A. Christiansen, there are an identification and the analysis of the stages of conducting PTA taking into account the innovative and ecological component; further, a comparison is made of all production and commercial technologies used at

the enterprise with established standards (Christiansen, 2000).

The principle of enhancing the innovation and environmental value of enterprise products for target audiences guides the company's management towards the need to continuously evaluate the innovation and environmental value of products for each stage of the life cycle of the industrial and trade policy of the enterprise.

V.V. Glukhov considers the main task of implementing of this principle to be creation of a treadmill for the continuous elimination of losses at the enterprise's PTP, the continuous elimination of any production and trading activities that inefficiently and irrationally consume the company's resources without creating innovation and environmental value of products for target audiences (Glukhov, Balashova, 2014).

The experts note that in order to show their responsible attitude and to ensure the development of industrial and trade policy, modern enterprises for the production of EG should pay particular attention to the environmental auditing of their PTP taking into account the geographical features.

In this situation, according to M.V. Larionov, the method of environmental auditing of PTP at the enterprise allows to determine the compliance of the company's PTA with environmental legislation, estimate the level of management effectiveness and the compliance of corporate policy with the requirements of sales and production safety, as well as to determine the degree of environmental risk (Larionov, 2014).

The method of development and implementation of foresight projects (foresight sessions) for the development of the enterprise's PTP as the central components of the company's sustainable operation strategy includes studying the prospects for the development of technology and science for EG market. The result of such discussions, according to the experts, will be the emergence of a set of new ideas that are associated with improving the effectiveness of innovation management mechanisms, science integration, enterprises and educational institutions to improve the competences and skills of employees.

### Conclusion

The principles and methods of industrial and trade policy are applied at enterprises for the

production of everyday goods for the purpose of regulating, harmonizing and developing production and trade activities in general.

The principles used for regulatory purposes include the principle of the effectiveness of managerial processes in production and trade, as well as the principle of compulsory improvement of management practice in production and trade based on changes in the external and internal environment of the enterprise. The principles applied for harmonization include the principle of ensuring the harmonicity of sales and production, as well as the principle of ensuring synergy and flexibility of PTP. The principles applied for development purposes include the principle of innovation and environmental friendliness of PTP and the principle of enhancing the innovation and environmental value of products for target audiences.

The methods used for regulatory purposes include the scenario method for the development and implementation of PTP and the method of economic modeling of PTP. The methods used for harmonization include the optimization of the brand portfolio of the enterprise for the production of EG and the method of digitalization of the agreed PTP. The methods used for development include the method of environmental auditing of PTP and the method of development and implementation of foresight projects for the development of the enterprise's PTP.

The principles of TPE and IPE for the production of EG should be strictly followed by all enterprises regardless of geographical features. At the same time, some methods of TPE and IPE may vary depending on geographical features.

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