Design of Supply Chain Strategy as a Tool for the Development of the Country's Economy

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Abstract- Modern society has entered the stage of its development when the objective world around us, created by supply chain strategies, is experiencing a period of rapid growth. More and more complex are filling market niches. The requirements for consumer properties of products are becoming ever higher. Today it is already obvious that only collective creativity can ensure high competitiveness of products. Today, design is a strategic tool, the correct use of which leads to success in business. The relevance of the study is caused by a very low level of research on the development aspect of the country's economy – supply chain design.

Keywords: design, economy of impressions, globalization, supply chain strategy, business, creative product.

1. Introduction

Currently, in the light of the accession of an increasing number of countries to economic unions and the globalization of the high-tech products market, the competitive characteristics of products in this segment are playing an increasingly important role for both global and local markets. Most manufacturers of developed countries are forced to compete in their own local market with global companies trying to break into the foreign markets of high-tech products.

The impact of industrial design and supply chain strategy on the competitiveness of high-tech products must be considered when creating a new product or upgrading existing products. The influence of this factor is reflected not only in the demand for the products of a single company, but also on the competitiveness of the entire industry of high-tech products of a particular country, and, as a consequence, on the state economy as a whole [1].

Design is an important component of the economic system, and therefore affects the standard of living of the population. The design is distinguished by its focus on innovation, the development of new trends, modern technologies and unusual materials, the quality of the consumed product and the technical properties of the created assortment, which is produced for customers with various well-being and interests. Design is formed more rapidly than society begins to comprehend and understand the importance of the created. Design is constantly one step ahead. What society initially recognizes as absurd, unnecessary, unnatural, after a certain period of time becomes habitual. Due to the work of designers, we can imagine and see the future, for example, the image of visualizations.

The development of design engineering has a direct relationship with industrial development. Design is an important segment in the development and development and advertising of any product. At the same time, design is an important component of each company, it is a kind of “face” of the company, which allows it to become recognizable. Moreover, industrial design includes all kinds of existing design elements: consumer goods, promotion, private and public interiors, production and machinery, space and military equipment, a variety of small and industrial objects, as well as the design of socially important objects.

In our country, design is developing and becoming competitive, as well as in advanced developed countries. The government of a developed country should support entrepreneurs so that their products benefit the country's economy. The economic growth of a country depends on how much the state helps ensure a dynamic and structurally balanced growth of companies. Also, the development of design will affect the standard of living of the population. Russia is a developing country, and our design will soon become one of the European, our country has every chance to develop the economy to the forefront. But the chances of Russian design will increase when our product becomes known worldwide, and when we can export products.

Design is responsible for the aesthetic appearance of the product, for its functionality, and accordingly, design is directly related to the quality and ergonomics of the product; to the materials of which the product is made; to the development and idea through which a new product is being designed; the brand with which it becomes popularized and recognizable on store shelves; as well as to public relations formed between residents of the city and the country at the time of development and production of the product and its promotion to the consumer. Therefore, design is the most important innovative component of the process of developing, manufacturing and promoting a product. Design is a qualified service sector provided during the development of ideas and projects of companies in order to improve the functionality and aesthetic side of the product, which allows satisfying both the buyer and the
manufacturer. Having studied the role of design in the economy, we can say that design and the economy are closely related, as well as that design directly affects the economy of a company, city, country. Design cannot but have an economic part, for the development of design is based on the production of a new and most effective sale of goods on the market. The main role in the promotion and marketing of goods is played by the economy. Having studied the economy, we can determine whether the company is growing or dying away. Design helps identify the target audience and ideal customer for each product. The economy shows what demand for this product. Design is undoubtedly an important factor in the development of the economy, and therefore its tool.

Understanding of the design in the last somewhat changes significantly. Design today is not only a form, and not only aesthetics, not only ergonomics; it is not only the style and vivid image of the product that creates a holistic impression of the brand [2].

2. Literature Review

Early approaches evaluated industrial design solely as a component of the company's total costs [3], not taking into account its strategic role and its influence on the choice of a company's behavior on the market. The understanding that design can have a significant impact on the competitive position of a company and its prospects is gradually growing. Starting with the work of Fain [4], the concept of 3DCE 1 is being developed, within the framework of which design is considered as part of the tripartite production strategy “Product-Process-Design”.

It turns out that design can significantly modify the behavior of the company in various production and marketing situations.

There is an extensive analysis of how product design affects the supply chain [5-9].

A study of the relationship between product characteristics and supply strategy (logistics) is presented in [10, 11].

As other materials show [12], the architecture of the product is tightly integrated with what the supplier does.

Industrial design is becoming an important factor in the market of modern goods and services. A variety of strategies using industrial design shows that design is the key factor in modern conditions that affects the demand for final products.

According to some experts, industrial design can be up to 50% of the value for the consumer, including the price added by the industrial brand. At the same time, studies show that corporate investments in industrial design on average make up only 0.5% of the total cost of launching a new product, and even in leading companies the maximum design costs do not exceed 5%. Does this trend have similar indicators for the high-tech products market?

The conclusion suggests itself that the greatest effect is exerted not by investments in industrial design, but by its place in the product production chain. The value of products is determined not only by the work of engineers and designers, but also by industrial producers, marketers, industrial designers, and system engineers. Depending on the orientation of the company and the orientation of its structure towards industrial design, more can be achieved using less resources.

Thus, the cost of industrial design does not have to be very flexible depending on the demand for the company's final products.

It is advisable to assume that the costs of industrial design, necessary to achieve an equally positive effect, can be approximately equal to both a large company and a small enterprise, which implies a large relative value of the cost of this factor for a small enterprise in relation to net profit. Therefore, high elasticity can be observed only in some enterprises that have not reached a certain level of marginal investment in industrial design, after which further investments are not so effective.

3. Materials and Methods

Current economic conditions lead to the fact that an abundance of suppliers of goods and services has formed on the market, which has led to the fact that they are difficult to distinguish. In search of a client, many companies began to offer discounts. But, as practice has shown, big discounts and unjustified dumping are a sure step to bankruptcy. Although buyers love sales, price cuts are a road to nowhere for companies. For successful business, companies must strive to increase the consumer value of their offer. Every company that claims to be competitive in the future should focus all its attention, all its efforts on the client and his needs, and ways to satisfy them. Customer satisfaction is achieved if the offer meets the expectations of customers. The connection of the sentence with emotions and experiences can significantly contribute to this. Technologies that offer emotionally rich offers will be successful in the market, will win a competitive advantage today and in the long run. A person sees himself as a person, and more and more individual decisions are desirable for him on his vacation. Consumers who are tired of standardized products tend to get a product created specifically for them, and even corresponding to their inner world. Therefore, at present, a new economy is emerging - the economy of impressions, focused on consumer sensations.

All this has formed the relevance of research in the field of design economics, a poorly studied area that is boiling with new research topics. According to the chosen idea, design is initially understood as a large single tool that helps to create a holistic competitive image of the product. Design is responsible for the aesthetic appearance of the product, for its functionality, and accordingly, design is
directly related to the quality and ergonomics of the product; to the materials of which the product is made; to the development and idea through which a new product is being designed; the brand with which it becomes popularized and recognizable on store shelves; as well as to public relations formed between residents of the city and the country at the time of development and production of the product and its promotion to the consumer. Therefore, design is the most important innovative component of the process of developing, manufacturing and promoting a product. Design is a qualified service sector provided during the development of ideas and projects of companies in order to improve the functionality and aesthetic side of the product, which allows satisfying both the buyer and the manufacturer.

The purpose of the work is to study the role of design on the country's economy, to confirm the research hypothesis: design is a tool for developing the country's economy.

The design development concept in Azerbaijan refers to the professional activity of the designer, which develops on a social basis, and at the same time, relies on the natural qualities of a person, which include aesthetic, emotional and intellectual. This concept determined the role and place of design in society. The purpose of design at this stage is to increase the aesthetic activity of society, to exalt the personality, adding self-esteem and dignity to it. Design characterize a company that makes it recognizable.

Industrial design includes the whole range of possible design objects: goods necessary for everyone; advertising, all types of interiors, equipment and transport, military and space technical support, environmental and industrial facilities, and even social facilities. The leaders in industrial design today are Japan, Holland and France.

The attitude of the state to the design market in foreign countries is very different from the Russian one. Large companies in France, realizing the benefits of working with designers, set up their own design bureaus. The most famous company among them is Renault, whose design activities are carried out by about 250 specialists. But French small and medium-sized enterprises still rarely use the services of designers. Therefore, the French government pursues a policy of introducing design in such enterprises, with the aim of successfully competing with manufacturers in other countries. Two important departments are responsible for promoting design in France - the Ministry of Culture and the Ministry of Industry. They finance research, support designers and enterprises, develop art educational institutions, and also provide grants for the publication of publications on design. The country has established regional directorates of industrial and environmental research and industrial design centers.

Economic growth depends on the talented people who form the creative class. In his works, R. Florida draws attention to the fact that the number and, of course, the need for creatively thinking personalities increases in proportion to the growth of investment in scientific research. Since the early 1950s, there has been a constant increase in investment in the development of creative activity through research and development. Since 1953, the volume of these investments has increased from 5 to more than $250 trillion in this area in 2000. The result of an increase in investment in research and development was an annual increase in the number of patents granted. The development of a creative economy is associated with the development of creative skills, an increase in the number of creatively minded workers, and with an increase in the number of firms in creative industries. The income level of representatives of the creative class and companies included in the creative sector, far exceeds the average national level. Supporting the development of an innovative and creative sector is one of the most important steps in improving the competitiveness of economies. On this basis, there is an urgent need to assess the potential of the creative sector, its capabilities and the consequences that its development brings.

4. Results and Discussion

In the framework of the study of this direction, quite often two main principles of the new economy are considered, namely non-price competition and the staging of experiences. As a result of the evolutionary transition to a new type of socioeconomic development - a postinformational, postindustrial society, in which the decisive role is played not by the productive economy, but by the economy of services, the economy of service, for many people in developed countries the time spent on leisure and tourism has become an important part of their life. In particular, people's free time is devoted to gaining new unique sensations that reflect their own stories. Let us analyze the tools by which non-price competition is created. At present, the price competition system in modern society is no longer relevant. It does not provide stable income growth for business structures. "Price competition leads to the depersonalization of offers, to their commoditization (from English. Commodity - raw materials, in Russian it is closer in meaning to mass replication)." Non-price competition is a method of competition, which is based on the achievement of a higher quality, technical level, technological perfection.

The tools of non-price competition are:
- information accessibility;
- WEB - site;
- interactive services;
- virtual tours, 3D tours;
- the possibility of continuous on - line and off - line interaction with the client;
- customer reviews.

The post-industrial economy, the consequences of which was an increase in consumer choice, customization and personalization trends of products offered to
consumers, marketing development and fierce competition, as well as a number of other factors led to the complication of consumer search and choice. The modern consumer does not choose so much a function, and not even a brand, but the feelings and impressions that he will receive from using the product. Service becomes a determining factor in consumer behavior, consumer choice processes, etc. A competently created impression is built on personal emotional contact with each client. It is thanks to this impression that the consumer feels his involvement in the life of the brand and receives new positive emotions, forming loyalty to the company. The received impressions are individual. Each consumer, depending on the individual social and psychological characteristics of the individual and various external factors, gets his own unique impression [13].

According to the study, the volume of advertising (design) services is growing rapidly. The essence of the national economy lies in the fact that it is an established system of national and social reproduction of the state, in which sectors, types and forms of social labor are interconnected, resulting from the long historical evolutionary development of a particular country. The influence on the characteristics of the national economy is exerted by historical, cultural traditions, the geographical position of the state, its role in the international division of labor, etc.

Within the framework of the national economy, the influence of economic growth factors is complexly interconnected. The main task of the state is to make full use of existing economic factors, redirect them in the right direction, in order to orient economic growth towards the realization of the interests of the entire population [14].

Studies show a strict correspondence between the level of competitiveness of industrialized countries and the level of effectiveness of their design use. All over the world, it has become an axiom that the struggle in the market for industrial products is in the field of design. The demand of domestic industrial enterprises for professional design services is noticeably growing.

Studies conducted in St. Petersburg have shown that over the past three years, manufacturers have attached increasing importance to the role of design and note its effectiveness in business in various competitive indicators. All over the world, design is an extremely profitable industry. Every 1 euro invested in design in Europe brings up to 20-euro profit. Over the past 10 years, Azerbaijan design has been developing rapidly.

Design is becoming a key strategic tool for the development of medium-sized European companies (more than 50 people). The longer a company has been on the market, the more likely it is that design is at the heart of its strategy.

Observations for European companies [15]:

- design is an integrated, but not a central element of the work of companies in Malta, the Czech Republic, Latvia;
- design is used at the final stages of creation to increase the external attractiveness of the final product in Austria, Slovakia, Italy, Portugal - similar to Ukraine;
- companies that do not systematically work with design: Hungary, Slovenia;
- design is not used in companies: Switzerland.

In the framework of the study, the opinions of representatives of different lines of business to design in business are of interest, therefore, representatives of small and medium-sized businesses were interviewed additionally as part of a survey. The survey results are presented below. Perhaps there is nothing more accurate than specific figures showing the interconnection of design and business. 50% of growing companies defined the role of 81 designs in their business as “significant”. In those companies where the turnover has not changed in the last three years, design plays only a "limited role" (71%):

Table 1. The role of design in the company’s business.

<table>
<thead>
<tr>
<th>The role of design in a company’s business</th>
<th>Over the past 3 years, the turnover of your company:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>Did not change</td>
</tr>
<tr>
<td>Significant</td>
<td>50%</td>
</tr>
<tr>
<td>Key</td>
<td>15.7%</td>
</tr>
<tr>
<td>Limited</td>
<td>24.2%</td>
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</tbody>
</table>

Experts' comments figuratively define the relationship between design and business as “proportional” - a business cannot grow effectively without quality design support, just like design - without certain rates of economic development. Companies understand the value of design and define design as an activity that plays a significant role in business.

Thus, the answer 45% of respondents from various industries in the total amount of answers to the question “What role does design play in your company?”

- Significant - 45%
- Limited - 28.7%
- Key - 16.1%
- None - 6.5%
- Difficult to answer - 3.7%

Despite the general difficulties of economic development, the role of design in companies is growing. In response to the question “What role did design and creativity play in your company's business over the past three years?” Respondents noted a wide range of design benefits:
Table 2. The role of design and creative approach in business.

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Supporting the development of new markets</td>
<td>3.9%</td>
</tr>
<tr>
<td>Increase market share</td>
<td>6.2%</td>
</tr>
<tr>
<td>Product improvement</td>
<td>8.4%</td>
</tr>
<tr>
<td>Rev increase</td>
<td>10.7%</td>
</tr>
<tr>
<td>Competitive growth</td>
<td>10.7%</td>
</tr>
<tr>
<td>Profit increase</td>
<td>11.0%</td>
</tr>
<tr>
<td>Improving company image</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

However, in spite of such high marks of design in business, real mechanisms of company management are concentrated in other areas. The structure of the answers to the question about the key factors of the company's business success shows that the decisive factor in business is management and administration. The second key factor is financial resources. This situation naturally reflects the needs of growing companies. Only in third place is marketing (one of the components of which many companies consider design).

As part of the study, experts also answered the question about the types of design that they most often need. The first place in this rating is occupied by communications, branding and graphics (71.3%) - graphic design is the most demanded in all companies. Despite the fact that a third of the companies surveyed are manufacturing, industrial design most often uses only 11.3%.

According to the majority of respondents, the creative resource plays a significant role, but unstable. Companies are faced with problems in calculating the effectiveness of marketing and design decisions - in 100% of cases, the result of creative decisions made is unpredictable. It is the inability to evaluate the effectiveness of design that dramatically reduces the confidence of the business. Design and marketing are now perceived as “dark horses,” which companies with extra money can afford working with.

Since advertising is one of the most significant elements of marketing activity, it has a significant economic impact both in general on the economy of the company, and on industry, production of the company, consumers and competitors.

The positive effect of the impact of advertising on the economy is that it contributes to the growth of the economy, investment, and at the same time, advertising is wasteful and leads to the depletion of resources. The strength and role of advertising for successful business has long been known. First of all, advertising contains information that is usually presented in a concise, artistically expressed form, emotionally colored and bringing to the attention and attention of potential buyers the most important facts and information about goods and services. For Azerbaijani participants in the goods market, sellers (advertisers) and buyers (consumers of advertising), the Azerbaijani Law on Advertising defines the following definition: advertising (advertising message) - any form of dissemination by an advertiser of information (information), regardless of the technical or other means used by him, including their publication through publication, broadcast, public display, public performance or communication, reproduction, etc. in relation to third parties (an indefinite circle) of persons about the advertiser, his goods (works, services), their properties and characteristics, conditions of production, acquisition and use, other circumstances that serve to form or maintain the interest of these persons in the advertiser, his goods (works services) aimed at increasing their competitiveness in the market.” [16]. Advertising, on the one hand, brings to consumers various information necessary for the purchase and use of products. On the other hand, combining its informational content with persuasiveness and suggestibility, advertising has an emotional and psychological effect on a person [17], [18], [19] and [20].

The most common area of advertising is trade advertising, the subject of advertising is goods, trade enterprises, and the services provided by these enterprises. At its core, commercial advertising is the targeted dissemination of information about the consumer properties of a product. The invention of the printing press forms the prerequisites for the quantitative and qualitative development of advertising.

Advertising, which is a dynamic force of a market economy, a means of connecting a producer with a consumer and the basis of secondary production, has become an independent field of activity in Azerbaijan.

In developed countries, the term “advertising” means advertisements in the media (in the press, on radio, television, on billboards) and does not apply to sales promotion events (sales promotion), prestigious events aimed at gaining a favorable attitude of the public (public relays), as well as the rapidly developing specific area of advertising activity, the essence of which is in the directional relations of the manufacturer with the consumer (direct marketing) [21].

Advertising is also part of the communication activities of the company, along with sales promotion. After all, she does not necessarily impose the goods on the buyer. Sometimes advertising simply makes the buyer remember a specific brand or name of the product when he makes his choice [22].

Thus, it becomes clear that advertising is involved in all areas of the public life of a modern person. This determines the relevance of the topic of the dissertation.

The modern advertising industry, as before, is influenced by technology. Additional changes have reoriented to a global scale. The following pressing advertising issues have been advanced: globalization, market niche marketing, consumer power, relationship marketing and mass adaptation to customer requirements.

Over the past few years, the advertising market in Azerbaijan has been growing not only quantitatively,
adding an average of 16-18% per year, but also qualitatively. There are new modern media carriers that open up new opportunities for advertisers to reach narrow target audiences and promote brands, the activity of local advertisers, who already quite well understand the key role that belongs to advertising communications in brand marketing strategies, has revived significantly [23] and [24]. New sales houses are being opened, thanks to which the process of negotiating with the media is simplified, the sales system is streamlined, and the processes of tactical media planning are optimized.

One cannot but rejoice at the professional and personal growth of advertising specialists, as well as the fact that many local advertisers have finally begun to realize the importance and necessity of cooperation with advertising agencies in order to successfully achieve their marketing and business goals.

According to the results of 2015, the total cost of advertising in traditional media (Paid media: Television, Radio, Press, OOH (outdoor advertising), according to the POE * model) amounted to about 68 million manat, a significant share of which belongs to advertising on television, which still remains the dominant media. This is logical, because, despite the rapid development of interactivity, television is still the most attractive media in terms of cost per thousand contacts of an advertising message with the audience, and at the same time, the most encompassing one - due to its mass character and almost 100% technical coating.

At the same time, over the past few years, we have seen the rapid spread of non-terrestrial television, i.e. TV transmitting a signal through cable and satellite. In Azerbaijan, the distribution of non-terrestrial TV amounted to 63% (data from the TNS installation study for 2010). According to our forecasts, over the past two years this figure has grown by no less than another 10-15%.

The audience is fragmented, its demands on the quality of content are becoming higher, a significant part of it has been consuming the content of foreign channels available in providers' packages with great interest for a long time.

For certain audiences (the so-called non-TV viewers - those who do not watch TV at all), the main news provider is already the Internet, rather than news releases on national television channels. Global changes in the media landscape do not bypass Azerbaijan.

Today we are witnessing the emergence of alternative information systems as opposed to traditional media, where consumers from passive listeners have become active participants in the process of exchanging and delivering information, and striking examples are the social networks Facebook, Twitter. The role of the Internet in media changes is hard to overestimate. If we talk about global trends, then the interactive already pulls advertising budgets from other media and, in particular, takes them from the press market. So far, interactive is more “western” - in North America and Western Europe, the share of interactivity is 22% in the total media mix (Source: This year, Next year. Worldwide media and marketing forecasts, GroupM).

For comparison: in Central and Eastern Europe, its share is only 12%. But with the fall in prices for smartphones, the distance between the East and the West will be rapidly reduced and, especially, this trend will be clearly manifested in developing countries, including ours, in Azerbaijan. Already, Azerbaijan is ahead of many countries in terms of Internet penetration, which according to the Ministry of Communications for 2012 amounted to 65%. Even in such large CIS countries as Russia and Kazakhstan, Internet penetration is 68% and 49%, respectively.

As noted above, an audience from a passive has become an active one, and this is especially evident in the activity of our users on social networks. Today, the number of facebook.com users in Azerbaijan has exceeded one million, and this is a huge figure for us. Among them, 65% are men, 35% - women (13+). For successful brand promotion, advertisers need to carefully study their behavior, since social networks are a vast environment where everything changes rapidly, some resources replace others, and even if today we see successful page promotion in support of a brand on Facebook .com, having gained hundreds of thousands of likes, does not mean that it will always be so.

In order to retain and gain the attention of the audience online, the advertiser needs to make much more effort, be in contact with the audience, publish interesting and original facts about the history of the company, the brand, its advantages over competitors, and attract the audience with special discounts and special offers. who have already justified themselves by their effectiveness in reality, and most importantly - be able to create content around their brand that would be equally interesting and He cares for consumers, and who could also take an active part in its creation. Very soon, those brands that do not use Internet support will not be perceived by consumers as modern, innovative. As part of the global economic development strategy, efforts to use advertising as an essential means of communication are of particular importance.

It should also be recalled that in the current environment, advertising is one of the largest sectors of the economy, bringing together dozens of advertising agencies and bureaus with thousands of employees. The results of functioning and the economy as a whole depend to a large extent on how effective this system will be.

Advertising as a process consists of 4 elements: advertisers, advertising agencies, advertising media, consumers.

The main goals of advertising are to attract the attention of the buyer; create a favorable image; to form a need, a positive attitude towards the company; stimulate sales; remind.
Tasks of advertising - to advertise new products and services already known to the client; advertising a new hero; detuning from a competitor; demonstration of the skill of the advertiser.

Advertising may be advertising directly to the product and corporate; direct and indirect effects; primary and selective; commercial and non-profit.

5. Conclusion

In the modern economy, the concepts of “product” and “impression” are interconnected by the supply chain strategies. Due to its properties, a product must satisfy certain consumer needs. The main purpose of buying a product is to get a certain impression. The consumer experiences certain emotions when buying a product and when using it.

Creativity, manifested in the generation of new ideas amenable to implementation and subsequent commercialization, can expand production without attracting additional labor and capital. This phenomenon contributes to the growth of value added and is the main engine of economic development in developed economies. It is based on the premise of unlimited creative resources, intellectual and creative capital. Mastering these resources can lead to large-scale changes, and not only in economic theory based on the law of limited resources and factors of production.

Thus, we can argue that design is not only a factor in the development of the economy, but also a tool for promoting the economy, as product design enhances competition and offers, thereby increasing demand for goods.

Our study showed that design as a tool for economic development in the modern trends of globalization has tremendous power, is indispensable and, moreover, fundamental. Moreover, this aspect of the economy, namely the development of the country's economy, needs further research.

Design is the future of the economy, the economy of impressions is now at the peak of its history, companies that invest in the development of the design of their products receive huge profits. Design is the engine of trade; experience is the fuel of design.

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