

The Impact of Supply Chain Management on Marketing Frontiers in Competitive Business Building

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Abstract- This article connects the positive market transformations with the role of business entities and supply chain management in marketing stepped up against the innovation-driven transformations. There are grounds laid for the necessity of extending the interdisciplinary approach to managing enterprise communications through motivation when organizing the marketing communication space. Article outlines the most important functions of business in the context of unstable economy and various dissonances. It discloses the economic nature of supply chain management, marketing frontier and simulation marketing in rational marketing business building. Marketing competitiveness thresholds were analyzed by effect on the marketing value of finished products. As it was found, significant discrepancy between motivation and resources available to the business entity and consumers gives rise to asymmetric marketing activities. The relevance of this article is that it provides more insights upon the processes and phenomena that occur when building models for managing the marketing behavior of subjects on the principles of rationality, required marketing value and integrative communication multiplier effect. This article introduces a model for managing product competitiveness by boosting the marketing frontier and adapting the marketing behavior of subject and supply chain management to unstable economy.

Keywords: *marketing behavior, marketing frontier, marketing simulation, supply chain management.*

1. Introduction

Russian economic development is handled in a climate of new reality. Some forecast that 2018 would be a period of stability: Russia, unlike other per-to-states, gains much from the ability to adapt to the changing market environment as quickly as possible. At the same time, innovation-driven technology progress in various fields is held back by the inertia of business investment. This calls for boosting the economic growth by 4% in a

year. Business is now under pressure put by the international environment and national contradictions. The problem of rational and socially equitable resources distribution when building marketing models for managing economic growth in the sphere of communication relations is still on the agenda. The entrepreneurial sphere is taking shape now for innovative changes affecting the whole range of different transformations (production, technological, organizational, marketing, etc.). The first segment of national economy that should be boosted in this regard is the production sector.

The problem of development in the business sphere entering the globalized space is boiled down to building rational models of marketing behavior of subjects, designing a toolkit for managing business interaction on the principles of socially fair and balanced distribution of benefits, and giving more insights upon the economic nature of processes associated with the boost of product competitiveness. The problem of adapting marketing behavior of Russian business entities to market challenges that come from Western countries remains unresolved, as the key world players enlarged their footprint. Besides, the role of employee-centered resources of Russian business entities were underestimated. The purpose of this research is to link the factors that affect decision-making on the marketing actor's behavior for creating such consumptive values that would ensure the necessary level of product competitiveness and improve the marketing values in a climate of limited resources. General trends in conceptualizing the economic nature of marketing behavior center on the integration of interdisciplinary ideas about the enterprise performance and development in the interaction with the marketing actors inside the created marketing communication space. The system paradigm by [7] applied to business entities can be extended at the micro-level to enterprise performance,

considered by various representatives of science against different approaches. These approaches denote macro- and microeconomics. Their categories involve neoclassical, managerialistic, institution-based, information-based, and culture-specific orientation to certain key concepts of economic theory when doing business. Each approach describes an enterprise from various points of view, ending with the way the enterprise shapes the business. However, they do not focus on the marketing behavior of entities in the contexts of delivering consumer demands and rational marketing mimicry on market challenges in the climate of limited resources. At the backdrop of complicated relations between economic entities and stronger interest in socio-economic processes with various impact factors adding to it, any enterprise desperately needs to be considered under a system concept. There have been some practices in this field by now. Thus, system concept refers to a simplified model of an enterprise running as a system. Ludwig von Bertalanffy (the founder of the system theory) and [17], who view the system as a set of elements, assumed that system elements are in relationship with each other and form a unity. The problem here is that the effect of marketing resources and contradictive motivational packages that add cracks to the pattern of behavioral adaptations as market challenges get bigger were underestimated.

The enterprise was considered as a system by [4], who embodying this or that concept of enterprise activity. Their fusion through the system paradigm [7] allows giving more insights into phenomena and processes that come as the microeconomic entities run their operations. At the same time, requirements for adapting marketing behavior of business entities to target consumer demands are not taken into account. If we systematize the views on known alternative concepts [9], we will track a range of unresolved problems in extending the marketing theory with reference to a balanced communication space for stakeholders, as well as in adding wheels to the enterprise machine running as a marketing behavior engine. The latter should be done when integrating the components carving the enterprise as a motivational and communication engine. The environment where organizations currently run their operations is characterized by sudden changes and development. Business entities intending to remain competitive must constantly improve their processes and systems.

These improvements should mainly deal with the effective use of limited resources and cause a shift in organizational priorities. Switching from product-centric to customer-centric operation model will logically snowball some changes. Globally, organizations are

looking forward to innovative philosophies and theories that will help them growth. Michael Baker argued that the recognition and acceptance of the need to improve our understanding of the manner in which the [marketing] system works underlies the need to develop a workable theory of exchange. This approach is capable of setting business entities up on forecasting and eliminating marketing problems in the context of business activity getting more complicated. The process of developing and maintaining competitive advantages must be considered as a dynamic process, subjected to continuous improvement and updating. The economic growth and prosperity of business entities depends more on their ability to run business in new areas, rather than on the settling for the acquired ability to keep a little steam in the old business. Recent scientific studies on individuals have been reflected [19], whose ideas tie together the economic and psychological analysis of decision-making. Some kind of interdisciplinarity can be observed in such interweaving when it comes to shaping the behavior of individuals with regard to three psychological traits related to making economic decisions (bounded rationality, idea of justice and the lack of self-control). His insights give rise to conceptualizing human behavioral reactions and shaping them under actions that, to some extent, change the marketing behavior of business entities. [20] believes that an additional lever here are various types of governments interventions that foster people's economic behavior without force or significant changes in economic incentives.

The behavioral pattern of market interaction between entities becomes more complete with the insights given by [1] on making managerial decisions under constant changes occurring both inside and outside the organizations. The main idea expressed by him is that conflicts are unavoidable, but they can be turned to a constructive track through communication aimed at increasing the trust of the parties in each other. Conflicts are sparked by various dissonances in business that must be resolved during the business process reengineering, carried out when building models for adapting the marketing behavior of entities to consumer and market demands. The problem of building models for managing business competitiveness under various changes remains unresolved, so as the problem of linking the factors that affect decision-making on the marketing behavior of market actors when they run operations in an unstable environment. An integrative multiplier effect cannot be achieved in the marketing space without activating motivational and communication tools on the ground of innovations delivered to various links of a value chain.

Business entities have to uphold their competitive positions by increasing the trust in them among the market participants. Below is the methodological approach to solving problems of shaping the rational marketing behavior of various market participants in the context of an unstable economy. This approach contributes to the world science by expanding the conceptual apparatus of this sphere of knowledge and integrating the interdisciplinary ideas about the marketing behavior of entities. In the marketing space, targets are achieved in the process of creating consumptive values that would ensure the delivery of consumer demands in order to maximize the marketing value of finished products.

2. Methods

The research base involves the following methods: theoretical learning methods – formalization and hypothetico-deductive method; general methods – analysis and synthesis, induction and deduction, generalization, system approach, and modeling; specific scientific methods – categorical analysis and semantic analysis.

3. Data, Analysis and Results

In the context of globalization, a spark to national economy can be provided if the key sources of growth included. They are formed and exist within economic systems. These sources are exposed to various dissonances at a constant basis. Changes here expand the range of problems in entrepreneurship and consumer demand delivery. If the things go bad in the consumer market environment, they probably have to do something with discrepancy between motivation and resources getting deeper as a divorce between the business entity and consumers, between the labor market and business entity, between developers and investors, and between different business entities. These contradictions get deeper on the back of competition. Business entities change their marketing behavior in response to competitive actions being taken, and weaken their entrepreneurial, innovation and communication activities [5]. The consumer is focused on specific quality goods offered by commodity producers. The commodity producer, in turn, is focused on consumer demand as the most important engine of economy. The commodity producer is under constant pressure forcing to build innovative business models and reengineer the production, technological and other processes by

creating innovation cycles. The innovation factor acquires the properties of a system-forming element on the part when it promotes the economic growth. The problem of forming a well-balanced marketing space becomes a stumbling point in ensuring the efficiency and competitiveness of national.

In the climate of aggravated competition and limited resources, the pattern of interaction between business entities (enterprises) and external market agents should be improved to shape rational marketing behavior. These relations imply the initiator of communication to boost its innovative activity and market participants to uphold their positions. Microeconomic processes associated with the creation of innovation cycles assume importance when the components of the marketing complex are activated. This forces the business to introduce organizational changes and adapt the enterprise management system to market requirements. By improving the management subsystems, business entities expand their functional capabilities for better adaptation to the requirements of markets and various target segments of consumers. The external market environment defines the nature and state of the key cost factors, expanding thereby the range of business opportunities for building value chains. Innovations are developed and introduced as a response to changes that occur with the elements of business entities. A positive result cannot be achieved without activating the employee-centered resources.

The most important functions that business entities have while developing in the climate of an unstable economy and various dissonances (inconsistency between the marketing strategy and resources, conflicts in communication, cognitive dissonances, etc.) are:

1. Motivational function of enterprise elements as an instrument for projecting influence on the consciousness of market participants directs organizational, economic, behavioral and socio-moral aspects of business to renewal and fills subconscious of employees with enough reasoning for going for innovative transformations and interest-balanced relationships with other participants in the entrepreneurial sphere [9];

2. Communication function keeps rational commination between various economic realms within the boundaries of created marketing space, and brings about effective intra-firm relations between employees and divisions;

3. Cognitive function embodies itself in accumulating necessary information (data on consumers, goods, market situation, competitors innovations, etc.), processing it and adapting to business goal;

4. Subject-specific diagnostic function implies diagnosing and analyzing various types of activities performed by business entities and/or their members, as well as the products (goods) produced by them. Finished and to-be products are assessed and profiled by parameters inherent in products produced by competitors. This function allows shaping the potential of business entity for making decisions on expanding its production and communication spheres;

5. Innovation activity as an integrative function is in evidence in the marketing behavior of the entity and employees. It specifies target achievement as an integrative multiplier effect (by profit, income, trust in business, image, etc.) when creating a balanced communication space for interested parties. It is an innovative creation made in specific conditions;

6. Adaptation function is in action when shaping marketing behavior and making decisions on marketing mimicry on challenges, and when giving market injections to the components of enterprise activity. This function allows eliminating the discrepancy between motivation and resources arisen as a divorce between the participants in communication within the enterprise and the external entities. It implies fixing (or upgrading) the business entity's authenticity in the minds of consumers and market participants. By authenticity we mean entity's capability of reflecting its current characteristics truly (without adding fancy details). This capability is used when the entity goes for converting production, innovation and other business process fragments into goods (services) offered to the market;

7. Managerial function is in action when building relations between employees, making contacts with outside agents, coordinating the behavior of interacting employees, and making decisions on business process reengineering for raising the competitiveness of manufactured goods;

8. Socializing function implies business orientation towards creating conditions suitable for accumulating motivational capital, strengthening its relationship with marketing behavioral patterns and integrating it to build trust in business. The latter serves as an instrument for economic growth and contributes to stable market socialization [9].

Any business entity is a system [4]. On the one hand, it ties together heterogeneous components (such as structural subdivisions, assets, material artifacts, resources with different characteristics and properties, teams, individuals, etc.). On the other hand, its marketing behavior takes a shape of an interdisciplinary approach (economics, management, psychology,

sociology, innovative technologies, etc.) to ensuring communication for effective operation and development. Communication resource expands business opportunities, as it puts into action a set of different integrated methods (psychological, behavioral, motivational, rationalistic, social, structuralistic, information, marketing and economic, communication, synergetic, anthropocentric, etc.). As assumed, the combination of known approaches can contribute to economic science and real economy development if considered in different aspects of innovation activity. The latter implies the change of leverage on the part of the entity that initiated the communication with potential partners in a specific market space.

Modulation in innovation activity is a process of changing one or several parameters of management by the innovator to embrace the marketing authenticity of the business entity and the employees working there. Modulation affects the subject, functional, marketing, motivational, communication and behavioral components of innovation. The focus is placed on certain target segments and individual participants capable of affecting the nature and content of the innovation cycle. We have introduced an innovation cycle model previously. It can be considered as an instrument for activating the marketing behavior of many participants in the economic space within a particular socio-economic system [5]. It implies a focus of efforts on creating and promoting innovative products in a competitive market on conditions that all interested parties came to an agreement in the climate of renewal carried out all spheres of life on a priority basis. This model can be considered as a benchmark against which innovation activity can be managed by reorganizing the system of relations within the enterprise and within its marketing communication space. On the front burner one can place the internal state of business, as well as its motivational vector that determines the choice of one or another position. Each of the above assumptions can put into action for benefits successfully if grounds are laid for this, backed up by balanced motivational attitudes of those who will introduce the planned changes. Things going between the employees and their behavior inside and outside the enterprise lay grounds for the trust of consumers and partners with a business entity that claims to be a reliable participant in market relations. In both cases, positive changes will be sparked by innovative solutions in certain areas of business activity. The marketing context of shaping the behavior of employees and entities is about filling specific marketing and other steps with one or other content that can be symmetric or asymmetric. This means that requirements, imposed by

business owners, can be either met so they can be observed in the behavioral responses of employees, or the employees can imitate the appropriate fit when they report on certain disguised behavior patterns. Asymmetric marketing behavior leads to destructive decisions that drag business into deviation or into the irrational activity, which threatens the business with the growth of production, transaction and other costs. Asymmetric marketing arises from significant discrepancy between motivation and resources available to business entity and consumers interacting within a marketing space where business entities run their operations. Marketing perfectionism comes to action when business entity starts to “dance” with the consumer in response to a decline in consumer demand and a growth of resource constraints in all types of entrepreneurial activity. It turns deadly, but does not lose the properties of a good leverage.

At this point, communication resonator is included to resolve the discrepancy between motivation and resources. It allows getting an integrative multiplier effect from the interaction between various participants in a specific marketing communication space. The inconsistency in innovation activity can be resolved if the innovation-investment resonator triggers the modulation of innovation activity in the cycles of various market participants. The latter should get their place in the system of relations built by the initiator of communication so that the value chains could be developed with regard to innovation cycles. Innovation-investment resonator is a tool changing the nature and system of relations between individual participants interaction in the marketing space. The innovation-investment resonator stores marketing levers and indicates new ideas, creations, projects and innovations that should be put in to practical contexts. It delivers necessary information to the market environment. It stores the insights on innovation given by other business entities and the government agencies, and projects the responses of market agents to possible marketing steps made by innovation market actors. Business entities intend to boost the returns so they adapt their actions to the market environment subjected to downturns, drops, stagnation, to a sharp increase in interest to certain developments and innovations. However, changes in market environment holds back somehow the marketing activity of business entities. The latter characterize this state of by the term "dormant marketing" – the way marketing activity manifests under certain unfavorable conditions. Dormant marketing refers to such marketing that can be potentially put into action in various business sides of one entity (commodity, innovation, production,

logistics, sales, communication, management sides, etc.), but is not due to certain circumstances. The potential is not fully realized or is not regarded by the entity when building value chains and market relations with other interested market actors up to the time when it activates its marketing behavior and rationally applies its marketing tools within the particular marketing communication space [18].

Behavioral reactions in marketing imply self-analysis as a category acting in the economic life of a society as its active part. In general terms, self-analysis is transformed into a field of marketing activity following the line of expanding social ideas about the functions of one's own consciousness. It reflects its relation to the effect of resolving business problems and dealing with external threats. One tries to re-comprehend his /her place in the economic and marketing activities performed by a business entity. He/she shapes his/her role functions in such a way that, on the one hand, his/her life is filled with meaning, addressed to inner self-awareness, and on the other hand, would provide him/her with a worthy existence and self-realization. Self-analysis touches the personality structures (values, motives, interests) of a human, but is not limited to them. At this point, this process pervades the biological nature of a person, preserving or changing his/her way of thinking, as well as the way of perceiving various events, by reflecting the emotionally charged dive of the person into the origin of these events, and thereby adapting the behavioral patterns of society to his/her dominant attitudes. In the climate of highlighting economic component, self-analysis fills with new content and should be considered as the analysis of one's own pattern of marketing behavior, touching the duality of its nature reflected in the inner state of a man as a carrier of abilities, potential, talents, and skills. If applied to the entity, it reflects its marketing authenticity – unique marketing behavior and ways of building relations with other market actors, as well as the nature of responses to certain third actions. The marketing behavioral pattern analysis is an ability of an entity to change and transform the market environment, adapting it to one's own business processes and to the changes occurring in the market space. As a tool of response to internal and external challenges, marketing behavioral pattern analysis implies changing the producer's response to consumer's feelings about these or other goods. A failure to deliver expectations to buyers sparks their attitude toward the business entity and certain goods, produced by it. Accordingly, the marketing behavior of consumers and partners undergoes certain change as well. Namely, their loyalty to a particular business entity will decrease, so the consumer

demand for goods that have caused mistrust and disappointment will drop [19].

Business entities that intend to hold their market position or strengthen competitiveness in certain segments go for supply chain compromise and marketing simulation. The latter is about shaping the entity's marketing behavior based on the realization of false ideas about the finished products (simulacrum [2]) as well as on the choice of behavior patterns applied to consumers, market actors, various business entities, authorities, and other structures that shape the quasi-marketing as a structure. In most cases, it does not reflect the interests of either consumers or the market. Marketing simulation is an imitation of any production,

behavioral, communication, marketing and other processes by using different manipulations – by substituting the desired consumptive values with ones alike, but different by essential characteristics. Simulation marketing puts into effect marketing behavior based on all possible kinds of marketing mimicry (including deviant behavior). Such marketing behavior is tied to the interactions and relationships with market actors, social actors and power structures at all levels of management, supervision and control over the running business. Entities start offering products to consumers that differ significantly in their qualitative characteristics, but slightly in price (unless the goal is to crash prices).

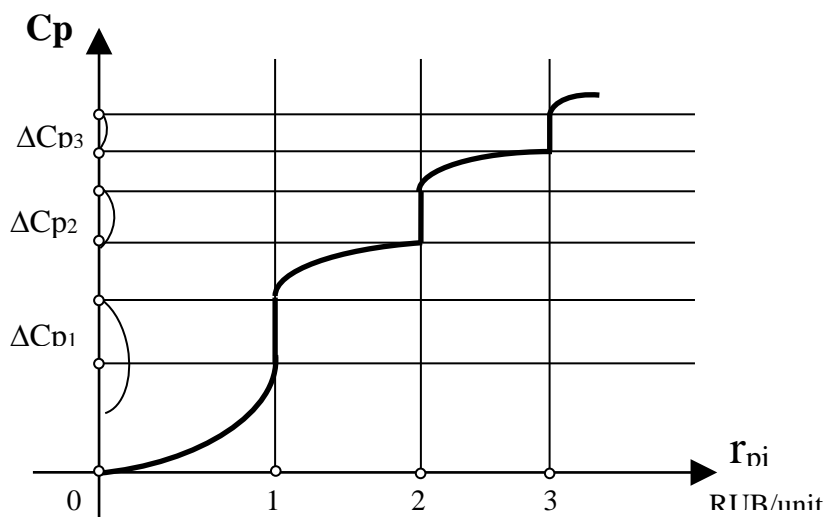


Figure 1. Marketing Thresholds in Ensuring the Product Competitiveness Improvement

At times when market situation is shaky and the consumer demand is ever more dropped, any buyer purchasing a product always compares its price with properties. The consumer always rates the product's potential to recover the price – its price must correspond to its properties and characteristics declared. At this point, situation arises when the producer or the seller takes the path of pressure on the consumer – brain-marketing. As an integral part of neuro-economics, brain-marketing accumulates various capabilities beginning from target psycho-diagnostics to brand building, and further to the search for rational solutions among developed creations and patterns of marketing behavior. Any business entity intending to reach certain

level of product competitiveness (or general competitiveness) has to correlate its own potential with real resources available and suitable for desired pattern of marketing behavior. The latter should correspond to the entity's mission, vision, and business objectives. It should also guide the efforts of the entity towards making a memorable mark and building trust. Such problems must be solved through our supply chain management impact on marketing frontier introduced as a tool for managing the competitive business position. In addition, we suggest introducing a concept of marketing threshold of product competitiveness.

The impact of supply chain management on marketing frontier is a line with new opportunities to open behind it

for developing new marketing spaces and involving new target segments. It follows the vector denoting the spectrum of “pioneer Dom” and “full-play” motives. The marketing frontier defines the interests of a business entity in designing and applying innovative marketing tools and platforms when building non-standard business models that would fit the consumer demand and market requirements. In turn, the marketing competitiveness threshold of any product is a condition of this product, when its competitiveness spikes due to changes in its consumptive values qualities. The consumer momentum can increase significantly from one marketing threshold to another. The offered product can move up in the competitive rating, thereby laying grounds for a gain in desired effect (profit or any other result) per a unit of sold goods (Figure 1).

Methodological basis of this approach includes conclusions drawn by Miller and Friesen about the quantum representation of changes that occurred in organizations and about the “quantum leap” notion implying the change of numerous components at the same time [10]. From our prospective, changes will touch not only the organizational ties between the participants, but also the mechanism of building and filling the innovation cycle of new product manufacture. The marketing component here will accumulate the changes in whatever affects the competitiveness, as well as the changes in the marketing behavior of the entity (including employees) and the market actors. $\Delta C_{p1} > \Delta C_{p2} > \Delta C_{p3}$ – competitive gains from one marketing threshold to another may decrease or change in any other way (increase or stay) depending on the marketing platform applied for product design, manufacture and delivery to the target consumer. Product competitiveness can be warranted or weakened by actions taken by the employees at time when the business entity they work in is shaping its marketing behavior and puts into effect the potential of brain-marketing. Spikes in product competitiveness can be traced from one marketing threshold (or product) to another. The marketing threshold of product competitiveness (r_{pi}) is

characterized by upturns (E_{pj}) achieved per a unit of sold i product:

$$r_{pi} = \sum_{j=1}^k E_{pj} / V_{pi}, \quad (1)$$

Where: V_{pi} – the volume of sold i products;
 j – any quality/characteristic of the product.

We introduce a model for managing product competitiveness by activating the marketing behavior of a business entity and orienting it toward an impact of supply chain management on marketing frontier as a horizon of entity’s possibility to adapt to market/consumer demands through innovative transformations (Figure 2). The latter are business transformations that go in various directions using mechanisms of marketing simulation, as well as marketing mimicry and marketing injections given to beneficial types of business activity. The marketing product/project value can be calculated with regard to product quality, manufacturability, competitiveness, consumer loyalty, and adaptability to market requirements. Each component contributing to the model of target marketing value counts by the value of such contribution. This model illustrates the relation between factors determining the marketing behavior of market actors at time when the initiator of communication designs and activates the innovation cycle for newly created products. Cognitive dissonance and inconsistency between the marketing strategy and resources (communication strategy) can be eliminated through negotiation. Dissonance in the innovation activity is eliminated by stepped-up actions of employees and by choosing a type of marketing (advanced, simulation, deviant, dormant, etc.) to put into effect.

Under certain conditions, the choice made in favor of one or another type of marketing can allow achieving a desired integrative multiplier effect (effect from joint activity – profit, benefits, image and trust with business, reputation capital strengthening, etc.).

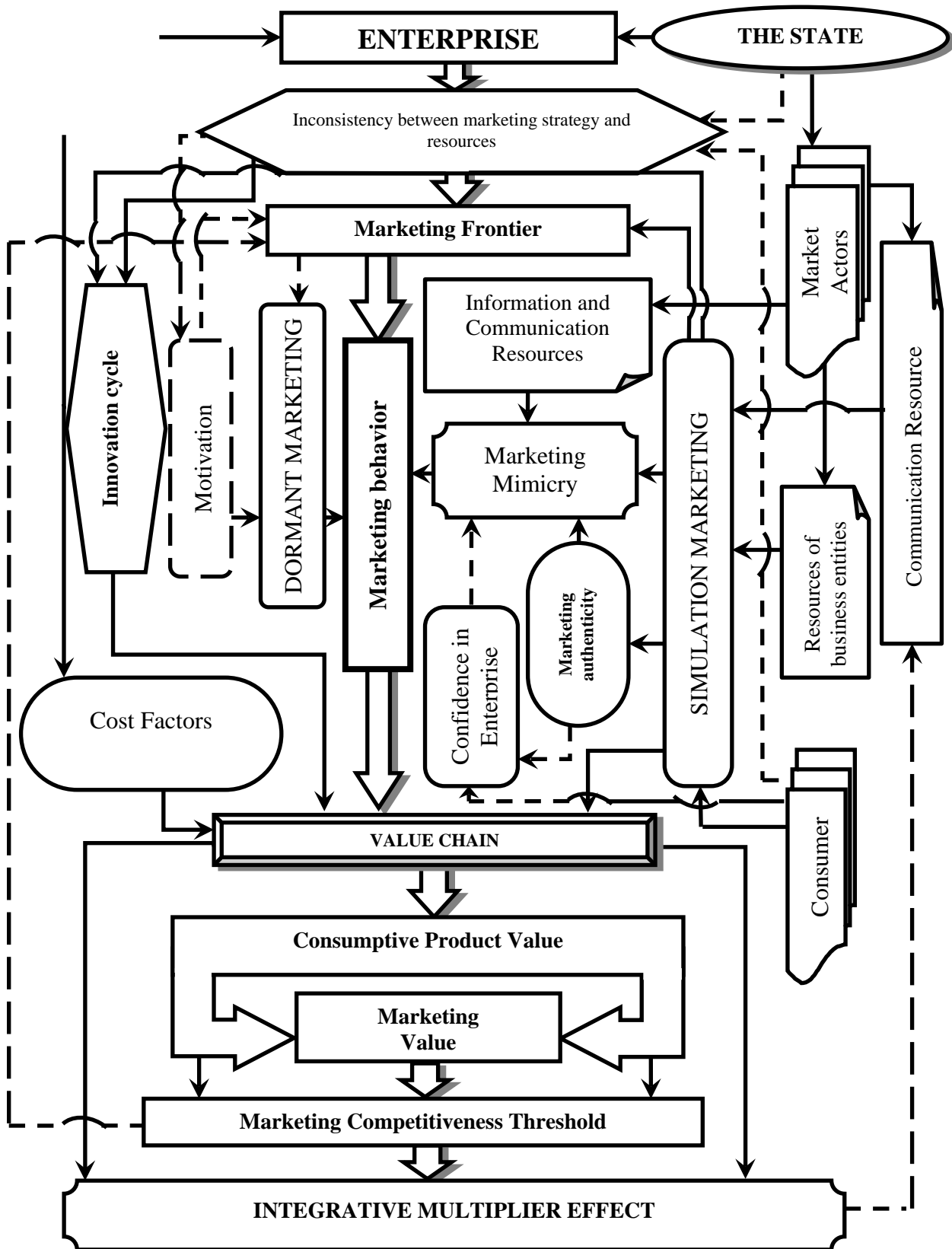


Figure 2. The impact of supply chain management on Marketing Frontier in Ensuring Enterprise’s Competitiveness

Decision-making on the marketing behavior of business entities calls for applying marketing tools to transform value chains (and specifically through marketing mimicry and marketing injections) for a delicate balance to strike. The key tool here is the motivation of entities and employees to make certain changes and take actions. Decisions on the line of motivation are made if entity gains in the ability to accumulate resources of motivation to take certain actions, introduce changes to marketing behavioral pattern, innovation activity, business relations built during the process, etc. (motivational capacity). It affects changes in the marketing behavior of entities and is governed by a potential for gaining from the innovation-sparked interaction with the initiator of communication within the initiator's marketing space. Aside from the ability to accumulate motivation resources, motivation capacity also refers to a competitive gain and socio-moral capital straightening inside and outside the business structures. Motivational capacity is an indicator that characterizes the degree of entity's motivation to take certain actions rationally using the resources at time to gain from the cooperation with other market actors within the marketing space of a specific actor (communication space of an entity, which motivation capacity we consider, also counts). Business development is associated directly with a concept of motivational sufficiency, which we regard as entity's response/motivation consistency in market challenges/transformations. We refer here to such motivations that can satisfy the minimum needs of the entity in support, provide it with certain stability and security under specific market conditions.

When motivational sufficiency reaches 20% or higher, interested parties start negotiating with the initiator of communication, who tries to involve them in the quantity that will allow achieving the desired multiplier effect of cooperation. The greater is the spike in the quality of innovation solutions the higher are the requirements for total motivation sufficiency and accordingly, the higher will be its value that can affect the marketing behavior of business entities. We achieved the following results: innovations that are significant by capital investments require the total motivation sufficiency to be higher than 85% if the intent is to implement and promote. Motivational sufficiency against the cooperation of entities carried on condition when one of them promotes innovation is a character defined by the impact of supply chain management on the marketing frontier [21]. It is tuned to resource capabilities of a business entity running its operations in specific market conditions. Our research showed that traditional innovations (created on the back of marketing

mimicry) are promoted with the following frame of determinants:

- Motivational sufficiency – 23-35%;
- Resource backup – 35-44%;
- Communication acuity – 42-21%.

The impact of supply chain management on marketing frontier is a moving area of marketing opportunities. It can shift, renew and spread if total motivational sufficiency (Ms) against the actors interacting within the initiator's marketing space exceeds 20%. If motivation dominant (ΔMd) grows faster as the Ms gets higher in the climate of resource potential (Rp), the faster will the innovative transformations go, and the greater will be the spike in the marketing competitiveness threshold at certain time. Thus, we can assume that $\Delta r_{pi} = f(Ms, \Delta Md, Rp)$. The greater is the focus on innovation the greater effect the motivational sufficiency has on the decision on whether to enter the partnership alliance for promotion. The lower is the product quality the more formats, methods and techniques are swept to shape the marketing behavior of market actors. Accordingly, actors will be more into negative marketing simulation. Tightening of market relations and aggravated competition entail bifurcation –marketing behavior takes two shapes when the entity follows consumer demands. One pattern is shaped by adapting to market requirements and pressure using legal methods, while the other one – by making it look like expectations are delivered (deviant marketing). The latter can be achieved in various ways: by substituting or replacing anything of whatever the product is made of, by violating the environmental standards, by ripping off the consumer in different ways, by falsifying the information about the quality of goods, the properties and features they have against those produced by the competitors, etc.).

4. Discussion

Innovative side of different changes is achieved by building trust with the transformations, projects to come and those who will deliver them. At this point, business entities start making their morality base stronger and their motivational sufficiency higher to activate the internal resources that employees have. Otherwise, marketing behavior of various market actors cannot be tuned. Other points of view bear on brining the neuro-marketing into the light of string pooling. Consumer manipulation can be regarded as a specific tool for shaping the consumer behavior to get the company's position numbers up by changing the consumer trust with it. [3] states that there will be a chance to change

the behavior of individuals if not going for the strain of confidence through a ripe-off or manipulation. Our results are beyond the conclusions drawn by the founding behavioral economists [19], since they apply to marketing behavior of co-operating business entities running their operations in different spheres of activity. If we generally refer Behavioral Economics as the field studying the effect of social, cognitive and emotional factors on the economic decisions of individuals, as well as its consequences on market variables (prices, profits, resource allocation), then we can assume that it can serve as a basis for the insights into the concept of an enterprise as a marketing-behavioral process. The latter should take its shape with regard to the motivation mindset of the business entity and the employees. In the climate of conflicts, individual behavioral reactions transform the state of any communication resource and induce the entity to go for the best of simulation marketing. Some authors confirm the contribution of neuro-economics to gaining an additional result in boosting the thinking power of a man making economic decisions on the producer's choice. These authors are focused on explaining the way consumers think, as well as on putting their research results to the improvement of economic models of behavior. At this point, they are focused on mental activity. Neuro-economic models are explained through the lens of their potential for substantiating the psychological and biological processes that occur in the human body generating corresponding brain signals [11]. Other studies [12], [13], [14], [15] and [16] are grounding the conclusions that neuro-economists should rely on the studies of biological processes when receiving economic information for shaping the appropriate behavioral patterns. We did not consider the psychobiological side of behavioral reactions. We did address it, but the focus was on the motivation side of the behavior that set the business entity on correlating the resource potential of actors with the benefits they get from cooperation.

The state and society that are in the game to rationally use business resources through consumptive interest delivery are motivated to take the best for the socio-ethical platform. However, business entities stand against the unstable economic situation and limited resources. They hang out building such value chains that would preserve or increase the consumptive value of products. Business entity that broke the marketing thresholds of competitiveness generates new conflicts, since it does not contribute to the improvement of the marketing value of innovations without causing damage to the health of nation, ecology and morality. As an example, poor food production goes hand in hand with

the increase in the rate of mortality. Demographic analysts assume that if in 2010 there were 88.2 million of active working age people in Russia, then by the end of 2017, this number reduced to 82.7 million people (No. 11 (636). 25.03.18. P. 21). Amongst other reasons behind such reduction, cancer was caused by environmental degradation and bad food.

Business efforts should be made on the back of real resources and opportunities, innovation-delivering capacity of employees and on the motivation dominant. The system-integrated theory of the enterprise [6], supplemented by the system paradigm [7] and the theory of integrated motivation [9], can explain how the above factors and functions affecting the value chain building are linked to each other. The obtained results give more insights on the processes and phenomena that arise when modeling the marketing behavior of business entities running their operations within the socio-economic systems in the climate of business conflicts and deeper inconsistency between the marketing strategy and resources. We illuminate the possibilities of overcoming these problems from another side – from the side of designating the boundaries of change via marketing frontier and employee-centric resource activation in all links of built communication (inside and outside the business entity).

Research results are valid, as evidenced from the markup statistics. Business entities raised the price of certain services (increase in power rates, fraud in the construction business, etc.) for no significant reason, while their quality suffered a bit. Thus, prices of consumer goods were not only falling in the climate of crisis (2014-2015), but rising as well. According to the experts, prices of ordinary products raised from 15% to 20% in a year, while the quality of high-end products got worse by 30-50%. Twice as high (more specifically, 2-2.5 times) rise was spotted for some types of goods. However, if we take on board their declining quality, this figure will be even higher. Business is more into simulation now, so the line between the real and imagined is blurred. Drugs are simulacra. Since drug prices rise, their imitation is a profitable business to run, so some businesses go for it. The Federal Service for Surveillance in Healthcare (Roszdravnadzor) indicates that the share of fake drugs is currently no more than 1% of the total volume of sold medicine. According to the police sources, however, every tenth tablet is fake. The Chamber of Commerce and Industry gives an even more frightening figure: up to 60% of drugs are fake [8]. This situation arose because counterfeit illegal drug selling is not properly punishable. According to the Federal Service for Veterinary and Phytosanitary Surveillance,

referenced in The DairyNews, yester-year share of fake dairy products was 19.4% in Russia. Marketing simulation in certain sectors (for example, in drug industry, cosmetic industry, agro-industrial complex, in the sphere of ecology, etc.) may slowdown the technological progress, as this essentially affects the interests of big business. We believe that entities should factor in the logic of rationality, common sense, and social responsibility for performed actions and designed innovation projects. Business competitiveness is a fruit of joint efforts made by different actors and underpinned by innovative transformations, balanced motivation, supply chain compromise, and socio-moral capital accumulated under real state support.

5. Conclusions

Business competitiveness is improved by weakening the effect of discrepancy between motivation and resources available to the business entity and consumers, as well as by weakening the effect of other dissonances (cognitive, managerial, marketing, communication, innovation, psychological, etc.). The effect can be weakened via innovation. At this point, business entity has to put into action the innovation-delivering capacity of employees to design and introduce strategic, structural, production, marketing and other innovator-induced changes within the specific marketing space. Stretched definition of innovation activity and more interdisciplinary details on the economic nature of marketing behavior allow coming to boost transformations and unlocking the dissonance-killing innovation potential. More insights on the economic nature of marketing behavior allow designing smart tools of entrepreneurial management to balance the interests of actors and to gain from solving the priority problems of national economy. Modulation in the innovation activity is a tool used by the initiator of communication to manipulate potential partners and stakeholders to involve them into the process of building value chains based on innovations. It implies the accumulation of management strategies ever used by public and municipal authorities, as well as behavioral reactions of various market actors. Modulation makes marketing communication more effective. This allows building innovation cycles by resolving the discrepancy between motivation and resources, and other dissonances, to make the business go well.

The impact of supply chain management on the marketing frontier shows its economic nature when there are negative marketing processes, when the marketing behavior of entities must be changed so that the entity

could step into the field of innovations [22]. It must be clearly lined to open new opportunities for developing new marketing spaces and involving new target segments. Marketing frontier is a behavioral benchmark that determines the interests of business in the innovative marketing tools and platforms to design and apply when building non-standard business models that would meet the market/consumer demands. The introduced model of product competitiveness management is built on the variability of marketing behavioral patterns of a business entity that runs its operations in an unstable climate, as well as on the need to break the marketing competitiveness thresholds by correlating the resource potential with the changing market demands. Our model integrates motivational, communication, technological, innovation, marketing, financial, organizational, regulatory and other resource potentials that are in possession of actors involved in mutually beneficial interaction within the marketing space, created by the initiator of communication. The cumulative result of reaching the required standard of product competitiveness is a fruit of innovation activity and adaptation to the market and consumer demands.

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