

tech business in the city. The goal and the problem of the club is the support of startups in searching for their own strategy and business-model, informing about new «at the edge» marketing tools in IT-entrepreneurship, assistance in giving a qualified expert estimation for startup projects, help in attraction of investments from investors and business angels. There is such a startup club in Ternopil, too.

However, startups often stop their activity due to different reason, but all these reasons lead to the common denominator – the lack of money. Reasons, which can lead to the liquidation of startups, are “undercapitalization”, which is a main reason for failure of startups; choosing a wrong partner; focusing on one client or partner; the lost motivation; the absence of target audience for selling goods and services; the opposition to powerful player at the market.

It is worth to remember, that an effective startup is not just a realized project, first of all, a grouped team that creates a product that satisfies the demand of consumers and is able to learn from their mistakes and do not stop at the development of their project. The most important startup point is that failure is an experience that will help make a perfect product for a fairly large consumer audience to be commercially viable.

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THEORY OF GAMES IN MARKETING STRATEGIES.

The theory of games is actively used in those cases when it is required to simulate situations related to the behavior of individuals, to study the possibilities of their interaction and also to estimate the potential gains or losses depending on the used strategy.

Let's say that we have a closed system in which a certain commodity X is sold. This product is sold by a number of sellers. Also assume that the goods are absolutely identical, buyers act rationally, there isn't restriction on production capacity and the interaction occurs once.

Sellers, following their selfish desire to maximize profits, are looking for opportunities to satisfy the greatest demand. The only way to realize this aspiration is to reduce the price. A seller who has lowered the price of goods generates an increase in sales but at the same time the profit from selling a separate unit falls. In short-term period he can make a profit but in the long run his profits will decrease. In addition to the described situation, other sellers will gradually reduce prices, attracting buyers to themselves. This policy is called a price war. However, prices can't be infinitely reduced. They have its own limit and they're connected with marginal costs. When lowest level is reached, sellers realize the product at the price of its prime cost but there's no profit.

The model above is called the Bertrand Paradox, which first revealed the behavior of several players in case of oligopoly, leading to price competition for the consumer.

In fact, goods of different sellers can't be absolutely identical, differences are

almost always present. Control over a certain market arises when there is a group of people who are adherents of product and show a stable demand.

Games which firms play can be either cooperative or non-cooperative. A game is cooperative if the firm can arrive at an enforceable or binding contract that permits them to adopt a strategy to maximize joint profits.

Considering an example with a closed system further, suppose that the players colluded and decided to act as a monopolist, constantly increasing the value of their product. Within the framework of the theory of games, we get a situation when a game from a non-cooperative turns into a cooperative one. The appearing of the issue of non-price competition for marketing is connected with the fact that in order to search for new markets, firms must increase the demand for their products to stimulate consumers to purchase their goods.

Pursuing the goal of increasing profits, the firm must combine two processes: to minimize costs and maximize revenue. The marketing approach is to identify and stimulate demand within the framework of the two processes. It's necessary to understand that sometimes the branding goals may contradict each other (i.e. to increase the market share it's important to increase advertising costs, but the growth of advertising revenue provokes the growth of the cost price). Therefore, the key criterion of assessing the adequacy of marketing strategies is to search for a path that would be profitable.

One of the strategies is to emphasize the uniqueness of the product, which requires innovations. It is not much the important novelty, just the fact of the buyer's conviction that he pays for a qualitatively new product, which currently has no analogues. This method is used in the technology industries until similar or superior substitutes appear or until the peak of interest has passed.

There is also a strategy called "aggressive marketing". The methodology is based on the principle of "ODC": offer-deadline-call to action. It is supposed to create a tempting proposal, which prompts a person to act in limited conditions. In addition, psychological incentives may be used to cause the buyer to purchase a particular product.

There's two more approaches to increase retail sales: cross-sell or up-sell. The first method involves increasing the value of a check through sales a number of related products to the main product or creating a system of discounts. The second method is oriented to distort the value, imposing to the client a more expensive one, which is more functional.

There's a huge number of different methods and principles of sales in marketing, but struggling to get a certain niche of demand and retaining market share is common. There's no universal sales rule due to the variable nature of the activity, different cultural characteristics. It's necessary to solve the problem of marketing strategies creatively, understand what to sell, whom to sell and how to sell. And also remember that today's innovations tomorrow may not work. If we recall the theory of games and consider sales as a game of sellers and buyers among themselves, then we'll understand that these games are solvable not in pure strategies, but in mixed ones requiring knowledge of market conditions, level of the activity and the flexibility of the trade policy.

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