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FORMING OF LOYAL RELATIONSHIPS WITH CLIENTS IN THE FIELD OF INTANGIBLE PRODUCTION

The paper studies basic approaches and methods, existing point of views to the formation of loyal relationships with clients in the field of intangible production. The specified features of services as of the products of non-material production, such as intangibility, changeability, the facts, that services can't be stored and that they are inseparable from their sources are considered. The main aim and actions of the firms in the sphere of services, which are striving to build loyal relationships with their consumers, taking into account the functional and instrumental parts of service process, are determined.

This paper also defines the subjective, personal factors of influence on the formation of loyal relationships, like psychological type of consumer, his mentality, emotional focus, life style, situational factors, alternative availability and others. The interference and cooperation of these factors are considered. On the basis of combination of firm's actions and main aim with the subjective factors of influence the mechanism of forming of loyal relationships with clients in the sphere of services is formed.

Key words: *consumers' loyalty, loyal client, forming of loyalty, field of intangible production.*

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PROBLEMS OF COMPETITIVENESS OF THE MODERN MARKET OF ART AND HOBBY MATERIALS OF UKRAINE

Art and hobby materials market of Ukraine is studied. Basic factors of formation the competitiveness of internal market of art materials are determined. The experience of foreign countries regarding the development of art and hobby materials market is analyzed. An important factor in the competitiveness of the art and hobby materials market of Ukraine, according to international experience, is the expansion of product categories, especially for amateurs who are the main clients of art-shops and supermarkets, as well as for children and beginners is established. Moreover, the concept of assortment building and measures of promote for beginners and children should be formed so as to eventually transfer them to a group of customer's segment "amateurs."

Keywords: *art and hobby materials market, competitiveness, art-shops, amateurs, product categories, customer's segment.*

Introduction. The transition of the national economy of Ukraine to the model of sustainable (from German world "Nachhaltigkeit", that means self-restoration) development depends on a large extent of existing potential of expanded reproduction of the resource base of socio-ecological- economic uplift on a new institutional basis. The experience of developed countries, in particular the United States, shows that real changes in the

direction of formation of sustainable development are possible in conditions of formation not only productive, scientific and technical, resource-natural, demographic, but also socio-cultural potential of the country.

The Consequences of the Global Economic Crisis 2008 and Events in Ukraine of 2013-2015 negatively affect on the pace of expanded reproduction of the socio-ecological-economic potential of Ukraine, which complicates the transition of the national economy to the model of sustainable development. Under such conditions, the socio-ecological-economic and cultural growth of Ukraine depends on the level of development on the one hand of intellectual capital of the country and on the other hand of small and medium enterprises, in particular on the art market and on the market of *art and hobby materials*.

Literature background. The economic aspects of intellectual capital are considered in the works of modern economists such as: V. Bazylevych, O. Bura, G. Becker, G. Bilova, O. Grishnova, P. Drucker, A. Galchinsky, O. Kendiukhova, I. Mazur, L. Moldovan , V. Racha, T. Stewart, A. Chukhno, F. Fukuyama and others.

Unresolved issues. Problems of the competitiveness of the contemporary internal market of art and hobby materials, as well as the link between the development of small and medium enterprises and the level of intellectual capital remain poorly understood and require further solution and integrated research.

The aim of the work is a study of the contemporary internal market of art and hobby materials, an analysis of foreign experience and identification of enhancing factors of competitiveness of small and medium enterprises in the market of art and hobby materials of Ukraine.

Main text of the study. The competitiveness of Ukraine's economy depends on many factors, one of which is the development of small and medium enterprises. The socioeconomic and cultural growth of Ukraine is largely determined by the level of development of small and medium enterprises both in the contemporary art market and in the market of art and hobby materials, which provides the bulk of jobs, contributes to saturation of the market by works of art, raising the cultural level and the level of intellectual capital of the country's population and directly influences the prospects of the transition of Ukraine's economy to the model of sustainable development.

The transition to a model of sustainable development involves a new philosophy of the economy, where the work of the artist is considered primarily as a phenomenon of spiritual life of man and a way of self-realization.

Fundamentally new approaches to the study of subject-object relations in the process of management reflected in the fundamental work of S. Bulgakov "Philosophy of economy" [3, p.19]. The scientist firstly considered the world as an economy, emphasizing that human life is "primarily the economic process" [4, p.8].

S. Bulgakov considered the object - an economy, as: labor activity of a person; art and creative activity of the person; the spiritual phenomenon and human existence; creative attitude of man to nature.

According to the scientist, "a labor is the highest beginning of economic life" [4, p.87]. A labor is considered not only as a factor of production, but also as a creative activity of a person. But the creative work of the artist is a function that is inherent only to a creative person. The subject of economy is not only the owner and user of means of production, but also the person who is responsible for his activity and seeks to develop it.

The philosophy of economy as an informal institutional structure can be substantiated by analogy with economic, environmental and socio-cultural morality. Philosophy of economy involves the inextricable connection of man with nature, the new being of man, where the economy - not only material, but also the phenomenon of spiritual life.

Summarizing, we should note that the formal and informal institutional structure plays an important role in ensuring sustainable economic development as economic, social and cultural education, etc. Cultural traditions, religion, institutions of ownership affects not only the choice of the type of activity and the forms of economy, but also put the entrepreneur in front of a choice: to organize the economy or to make a business.

In our opinion, the art market can be characterized as a set of economic relations with regard to the purchase-sale and exchange of works of art. The main elements of the art market are art galleries, exhibitions of sale, specialized retail and antique shops, auctions, art fairs, catalogs etc. It is the art market that is one of the main ways of spreading artistic values in society and can be considered as an integral part of the national art culture.

According to T. Badinova, the internal art market began to form from the end of the XVIII century, from the moment when Peter I bought the first artworks abroad. Starting from this period, the art market becomes an integral part of culture and the most significant factor is the birth and development of private collections of works of art. Private Collectibles in the Soviet period did not stop; along with official forms of acquisition of artistic values, the unofficial turnover of works of art was actively functioning [1].

The modern art market is on a new stage of development, characterized by the active formation of a new structure of commodity circulation of artistic works, an orientation towards to the model of international art market.

The market of art and hobby materials is part of the art market. The main target consumers in the contemporary Ukrainian market of art and hobby materials are professional artists and amateurs - non-professional artists, for whom art is a favorite work, not a way to make money.

Goods, which are presented on the Ukrainian market of artistic materials are sold mainly through specialized retail stores with a total area of up to 100 M2 and consist mainly of such assortment:

- for professional artists, there are two product categories:

1. everything for painting and graphics:

- everything for painting: paint (oil, acrylic, gouache, tempered, watercolor); brushes (columns, protein, synthetic, bristles, ponies and for manicure); paper and cardboard; auxiliary materials for painting such as mediums, varnishes, solvents, siccatives etc.; easels, etudes, tablets; tools and accessories for artists (mastiquins, palettes, pencil cases, tubes, folders, stickers, jars, mannequins etc.);

- everything for the graphics: pastel (dry, oil, watercolor); pencils (watercolor, graphite, for drawing, pastel, color, charcoal, sauces, sanginas, markers, liners, feathers and sets for calligraphy; auxiliary materials (felts, sharpeners, rubbers, rods, paper for sharpening of rods etc.);

2. linens, modules, bases: linen (linen on a hand-made styrofoam, a canvas on a cardboard, a canvas-based hand-made work, a cardboard is grounded); modules mainly for the construction of subframes; frames (rectangular, round, oval); fibreboard (grounded and ungrounded); tablets (from fiberboard, plywood, waterproof and MDF);

- For amateurs, the category "Hobbies" consists mainly of the following subcategories:

1. stained glass, glass and ceramics painting: stained glass paints; contours; markers (for cold fixing ceramics and universal); gels, mediums (gels for bulk stained glass, gels, mediums with effect of frost); contours and paints with "glass-effect-dipped"; billets from glass; various auxiliary materials (parallon sponges, brushes etc.);

2. Scrapbooking[1]: paper for scrapbooking, including handmade; leaflets and albums; Decorative elements (sets of carvings, braids, flowers, crystals and pearls, etc.); Tapes (textile, paper); Additional materials for scrapbooking (glue materials, fabric, seals, printing presses, stickers for scrubbing, etc.); tools for scrapbooking (curly, curbs, corner punchers, stamps for paper stamping, curly scissors);

3. stamping[2]: stamps (with inscriptions, drawings, patterns, etc.); stamped pillows (with pigment ink); blocks and markers (blocks for stamps, paper markers, pens for paper);

4. embosing[3] is represented mainly by materials such as embosing powder and embossing hair dryer;

5. quilting[4]: strips for quilling; tools and materials for quilling;

6. decoration techniques: paints for decor and painting (mainly acrylic); workpieces for decoration are represented by the bases for decor (for the kitchen, for interior, costume jewelry, etc.); finish varnishes, outlines and markers for decor; tools and auxiliary materials

[1] Scrapbooking is a kind of handicraft art that consists of making and designing family or personal photo albums.

[2] Stamping is a technique of scrapbooking, with the help of which you can get not only a background on any subject, but also neat pictures, patterns, frames etc. In scrapbooking the Stamping can be both an extra and a basic decor for work. The main stamping materials are stamps and ink.

[3] Embossing is a technique of mechanical extrusion on the front of the plastic card of its number and expiration date, the surname and the name of the client, the company's name.

[4] Quilling is the art of making flat or volumetric compositions of long and narrow strips of paper wrapped in spirals.

for the decor: auxiliary materials (sequins, broths, glitter for sequins and rhinestones); stencils and stamps; tools for decorating (sponges, mainly in sets and wood burners);

7. decoupage[5], crackleur[6]: paper and napkins for decoupage; auxiliary materials for decoupage (glues and glue-lacquers, finishing and varnishes transcribed, crochet lacquers, mediums and bases, patina, aging pastes, glutinous pastes);

8. plastic: blistered plastic; plastic self-closing; materials for plastics (glues, varnishes, pigments for plastics, textured sheets); tools for plastic (molds, molds, cutters, knives, syringes, acrylic roller etc.);

It is possible to distinguish two more consumer groups: these are goods for children and beginners. The assortment for these customers is very poorly presented, as children and beginners are not the target customers of Ukrainian specialized art retail stores. The presentation of goods in indicated stores is more likely to resemble a warehouse than a supermarket or a small retail store, where only a professional or connoisseur can find what he needs because he is very well versed in artistic materials.

Another feature of Ukrainian specialized stores is the lack of a professional consultant or merchandiser, which complicates the development of the category of goods for children and beginners. Although some domestic shops, in particular, "The shop of the artist", "Azur" in order to develop such commodity categories as goods for amateurs, goods for children and products for newcomers organize in their territory master classes on techniques of decorating and painting. Table 1 provides an analysis of the main consumer segments of Ukrainian specialized retail art shops in Kyiv, where:

P - professional artists and students of art universities;

A - amateurs;

N – beginners (new comers);

K – children (kinder).

Table 1 also gives an analysis of the criteria for the success of the development of specialized retail stores by the ball system, where 3 is the highest score and 1 is the lowest.

[5] Decoupage is the technique of decoration of various objects, based on the attachment of a picture, a picture or ornament (ordinary cut) to the subject and further, covering the resulting composition with a varnish for the sake of efficiency, safety and durability.

[6] Crackleur is a splash of a colorful layer or varnish in the painting.

Table 1.

Retail shops of art and hobby materials in Kyiv

Criteria that ensure the success of retail stores	Azur	Artist's shop	Alizarin	Art shop	Master of bone	Kar-Kar	Shop TSHS	Lola	Epcenter "K7"	Artirbut
Brand presence	3	3	3	1	3	3	1	1	1	3
Convenient location	3	3	3	2	2	3	3	3	1	3
Pricing	2	1	2	1	3	1	1	1		3
Number of shops in the city	4	2	2	1	1	2	1	5+	1	1
Competence of sellers	3	2	3	2	2	1	1	1	1	1
Availability of loyalty program for regular customers	2	2	3	2	3	3	1	1		2
Consumer segments by category of PANK	Пап	Pa	PAn	Pan	PAN	Pan	Pa	PANK	PANK	Pa
Availability of online store	yes	yes	yes	yes	yes	yes	yes	no		no

Source: composed by the author

The table shows that the main target customers of domestic specialized art shops are professional artists / students and amateurs. Partly in indicated shops, products for such consumer segments as children and beginners are presented.

In Table 1, among other specialized art shops, Epicenter "K7" is presented, in which a specialized department of artistic materials is opened and dedicated premises for conducting master classes.

Summing up the above, we can conclude that the domestic specialized retail stores of artistic materials:

1) focused mainly on such consumer segments as professional artists / students and amateurs, partially for children and beginners;

2) are small in area, preferably up to 100 M2;

3) are characterized by the presentation of a product that is more like to warehouse, that means: the maximum quantity of goods is presented at the minimum possible area, almost there is no cross-product;

4) belong to the street-retail, except for the Epicenter "K7".

An analysis and adaptation of the experience of foreign countries, in particular, the USA, Russia and Hungary, becomes especially relevant for increasing the competitiveness of Ukrainian market of art and hobby materials. So, in the specified countries art and hobby materials are sold in retail not only through specialized shops (street-retail), which in their format resemble wholesale warehouse, as well as in:

- small art shops, which creates an atmosphere of home coziness. Such stores resemble an apartment in which the mistress has everything necessary for creativity and all things are well-laid out (Hungary, a network of small shops, street-retail). Art shops differ from specialized art shops with a wide range of products not only for artists, but also for amateurs, beginners and children; display of goods;

- art-supermarkets (USA, Russia, Hungary);

- art-hypermarkets, where the concept "all under one roof" is implemented, that is, the consumer coming to the hypermarket can buy not only all the necessary basic goods, but also cross-goods. For example, if a customer wants to make a casket decoupage, then he can buy not only paint, brush, varnish and paper for decor, but also a base box and the necessary materials for the decoration on customer's choice, the literature on the subject and even the gift packaging material (USA Hypermarket "Michaels", Russia hypermarket "Leonardo").

So, opening of art - shops in Ukraine for such consumers as amateurs, beginners and children, as well as supermarkets and even hypermarkets, in our opinion, is the key to the successful development and increase of the competitiveness of Ukrainian market of art and hobby materials. But for Ukrainian entrepreneurs who want to attract more customers, it is necessary not only to change the format of retail stores, but also to expand product categories in particular in the group of amateurs, beginners and children. In our opinion, for Ukrainian market of art and hobby materials in specialized retail stores, the development of

such commodity categories may be interesting, in particular for ***amateurs.*** Here the category "Hobbies" can be expanded in the following subcategories:

1. manufacturing of soft toys: sets for sewing soft toys; tools and materials for making soft toys (sets of needles, musical buttons for toys); sets for doll making; tools and materials for making dolls (hair, eyes, nose for dolls, clothes, shoes, accessories). In Ukraine there is a new trend among amateurs on the sewing of dolls and soft toys, in particular, the popularity of Tilda dolls is sewing. But in order to make a doll it is necessary to get around a large number of fabrics and other stores to collect all the necessary materials. Moreover, dolls and handmade toys are manufactured in one single copy, and more material is required to buy (minimum sales). Therefore, the creation of special packings and sets for the manufacture of dolls and toys should be interesting for Ukrainian amateurs;

2. modeling: plastic models (aviation, military and special equipment, ships, architecture, cars, figures etc.); paper models (warships, civil ships, planes, helicopters, space technology, armored vehicles, automobiles and special equipment, railway machinery, implements, architecture, figures and work); wooden models (sailboats; accessories; drawings of sailboats); tools and materials (acrylic paint for modeling; glue). Modeling is maybe the only category that is interesting for male amateurs. Modeling in Ukraine is poorly presented. Those who wish to buy modeling kits must order it online or look for in children's and other stores, in particular, in the bookstore "Bukva" paper modeling is presented, in children's - wooden and plastic ("Toy House", "Reasonable child" etc.) . Shops, where a wide range of models (wooden, plastic, paper), in particular for adults, is almost absent in Ukraine.

3. knitting: yarn (made of artificial fibers, semi-cotton, with angora, cotton, for crocheting). Knitting as well as embroidery in Ukraine is presented only in fabric stores. Instead, in our opinion, adapting the experience of Hungary, the USA, Russia these categories can be represented in specialized art shops and supermarkets with a wide choice of assortment for amateurs;

4. embroidery: embroidery threads (embroidery threads; canvas and fabric for embroidery; sets for thread embroidery; patterns for thread embroidery; needles for embroidery); Embroidery with beads and beadwork (beads, sets for embroidery with beads, schemes for embroidery with beads, tools and auxiliary materials (scissors, threads etc.); embroidery with ribbons (sets for embroidery ribbons; patterns for embroidery ribbons; embroidery ribbons); embroidery blankets (clothes, service items and decor).

Another category, besides "Hobbies", which is potentially interesting for Ukrainian amateurs and is widely represented in foreign art shops, is "Decor and interior, souvenirs, gifts". The assortment of this group includes the offer of such a group of goods to provide customers to deny or create the interior of their home with their own hands. You can include the following subcategories to this group:

1. Decor and interior: vases; everything for the photo; statuettes; chests; mirrors, watches, panels; decor elements (decorative stones); artificial flowers, fruits; flower pots;

interior stickers; wedding decoration (glasses; candles; wedding decorations; photo frames, boxes, etc.); live flowers (fresh flowers; pot flowers); dishes (jars for loose, jars for honey, sweets, boxes for biscuits, wine sets, bottle stands, trays etc.); all for confectioner (forms for baking (silicone, metal, paper, ceramic, forms for the manufacture of sweets); confectionery tools and materials (attachments; syringes; bags; additives and dyes; confectionery decorations and decor); ethnic souvenirs (figurines, magnets; plates);

2. seasonal goods: seasonal souvenirs; seasonal décor;

3. gift wrap: paper; packages; boxes; ornaments (bows; feathers); postcards.

The range of goods for the consumer segment "Beginner" is presented in foreign art shops, mainly sets for creativity, which help to learn and even master the new technique. These include such sets as, for example, a picture by contours or by numbers, which include: painting, paint, brushes, drawing instructions (step-by-step master class) or decoupage sets, for example, chests, which include: chest, acrylic paints, brushes, glue-varnish, décor paper and decoupage (step-by-step master-class) etc. The purpose of assortment development for the consumer segment "Beginner " is not only to introduce the client to new equipment, but also to interest in art, to teach and to transfer him to the consumer segment "Amateur".

As for goods for children, the range of home-made specialized art stores mainly consists of pencils, felt-tip pens, paints, brushes and albums for painting. As the experience of foreign countries shows, the category of "goods for children" is much broader and consists of the following subcategories:

1. children's sets for creativity and games for development: board games (educational, for the company, for the family); designers (wooden, plastic); puzzle;

2. stationery: written charms school (pens, markers, markers, chalk, pencils, paints, clay etc.); paper stationery (paper and cardboard; notebooks, notebooks; folders; notebooks; covers for notebooks; albums; school diaries); stationery: glue; scissors; sharpeners; rubber etc.); backpacks, bags, pencil cases (pencil cases, school bags and backpacks, bags for shoes, sandwiches and bottles for beverages);

3. Printed products are mainly represented by books, coloring and calendars. In general, the products of this subcategory, in particular books on the subject, are cross-commodities to any category of goods and can be set forth next to the technique, which will help increase the sales of entrepreneurs.

Conclusions. Consequently, one of the most promising directions of the development of Ukrainian market of art and hobby materials is the opening and development of art shops, supermarkets and even hypermarkets with a wide range of assortment, not only for professional artists and students of professional colleges or universities, but also for amateurs, as well as for beginners and children. As the foreign experience shows, an important factor of the competitiveness of the Ukrainian market of art and hobby materials is the expansion of product categories for the indicated consumer segments, in particular for amateurs who are the main clients of art shops and

supermarkets. The concept of construction and measures to promote the range for beginners and children should be shaped in such way as to eventually transfer them to a group of customers "Amateurs".

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ПРОБЛЕМЫ КОНКУРЕНТОСПОСОБНОСТИ СОВРЕМЕННОГО РЫНКА ХУДОЖЕСТВЕННЫХ МАТЕРИАЛОВ УКРАИНЫ

Исследован рынок художественных материалов Украины. Выявлены основные факторы формирования конкурентоспособности отечественного рынка художественных материалов. Проанализирован опыт зарубежных странотносительно развития рынка художественных материалов.

Ключевые слова: *рынок художественных материалов, конкурентоспособность, автомагазины, любители, товарные категории, потребительские сегменты.*

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ПРОБЛЕМИ КОНКУРЕНТОСПРОМОЖНОСТІ СУЧАСНОГО РИНКУ ХУДОЖНІХ МАТЕРІАЛІВ УКРАЇНИ

Досліджено ринок художніх матеріалів України. Виявлено основні чинники формування конкурентоспроможності вітчизняного ринку художніх матеріалів. Проаналізовано досвід зарубіжних країн щодо розвитку ринку художніх матеріалів.

Ключові слова: *ринок художніх матеріалів, конкурентоспроможність, арт-магазини, аматори, товарні категорії, споживчі сегменти.*