

## The improvement of the technology of the service processes for the development of barrier-free Russian market of services

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**Abstract.** The author defines the role of the sector of services in the economy, analyses the barriers in the Russian market of the services and considers promising aspects for the improvement of the technology of services processes in the Russian market in the field of implementation of quality management system of the production and services, as well as applications of the automation of business processes for formation of the barrier-free Russian market of services. The author of this research offers effective measures for improvement of the quality management and of the technology of the services processes of the Russian market. The by the author offered measures for the improvement of the technology of services processes of the Russian market allow to eliminate financial and technological barriers and create barrier-free market environment.

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**Keywords:** technologies of service processes, barrier-free market environment, The Russian market of the services, company services, services

### Introduction

Currently, the countries tend to build the post-industrial economy, which implies the intensive development of services [1].

The degree of the development of services is one of the main indicators of national economic development, as well as the prestige factor – the most developed economies of the Europe and America are characterized by a predominance of services in the economy [2].

The logic in the modern society is: in the leading countries in terms of economic development the control centers are placed and services and technologies are produced and in the countries-outsiders in terms of economic development the production is placed and the industrial goods are produced. The real sector of the economy becomes secondary, serving towards to the service sector [3].

Therefore of the particularly urgency is the question of the development of the Russian sector of services on solution of which the place and the role of Russia in the global economy depends [4-5]. Despite the development of the sector of services in the recent years the real sector, based on the extraction of the mineral resources continues to dominate in the Russian economy [6]. For the moving of Russia to the leading positions in the world economy, its economy must transform, involving the development of the sector of services not only in quantity terms, but also in qualitative by improvement of the quality of services and innovative of technologies in the sphere of services sector [7] in recent years, the real sector of economy,

the base of which consists of the extraction of minerals, continues to dominate in Russia.

A distinctive feature of the market of services is the fact of consisting of small and medium enterprises forming the competition in the market and thereby contributing the quality and reducing the price of services in the base of the sector of services [8]. Such enterprises do not have recourses for overcoming of the market barriers. Therefore it is necessary to form the barrier-free environment for the development of the Russian market.

### Methods and materials

The methods of research which were used in the article are: the method of the system analysis, content analysis of the scientific literature, Economics and Statistics analysis, comparative, structural and logical analysis, graphical method of the representing of the information as well as the formalizing method.

The theoretical and methodological basis of the research was the fundamental work on the marketing by M. Porter. In the work are also used the researches of the theoretical and methodological character aimed at studying of functioning of the Russian market of services by modern authors Baburina V.A., Gorbashko E.A., Oruch T.A., Razomasova E.A.

It was held in this work a comprehensive study of a situation on the Russian market of services in this work. The demographic structure, geographical aspects, seasonal condition of consumption, trade situation in the region, socio-

economical factors, consumer behavior towards to the purchase, lifestyles, import etc. were studied.

The scale and the size of the market by using the following formula:  $E = S + St - E + I \pm DI \text{ or } PI - IVE + VII$  was studied

were S – the volume of sales;

St – stocks of products at the warehouse organization and intermediaries;

E – the volume of exports

I – the volume of imports;

DISt – decrease or increase of stocks in the organization and intermediaries;

IVE – Volume of indirect exports;

VII – Volume of indirect imports.

It was the potential market investigated, i.e. demand, which can be achieved thanks to the marketing efforts of the organizations – providers of goods of this type – in other words – the consumption limits of this type of products during a certain period of time.

Any assumptions about the possible volumes of demand, of scale and potential market for the coming period are called a market forecast for which preparation different models and methods are used.

The method of forecast consumer judgments was held. Forecast was based on generalized consumer answers for the question, would they buy the product or not and at what quantity. In some cases the equation was preceded by a demonstration of the product or its description.

It was also used the method of pre-market tasting for the preparation of forecast for the sale of a new type of product. On a trial basis the goods are displayed in the limited market and based on the resulting reaction and on the volume of sale a forecast for the reaction of the whole market and the method of the script writing, which involves drawing up of the text or diagrams of changes which will occur in the future or as a result of the market changes is prepared. Some of the written scripts are shown to experts for estimation from the each of them.

## Results

The complexity of the arrival of new players in the market is due to the presence of market-barriers (barriers of the market entry). The author of fundamental research in the field of marketing M. Porter states, that the “degree of threat of the occurrence of the industry depends on the existing entry-barriers in combination with the reaction of the competitors which can be expected in the incoming of a stranger in branch” [9]. Consequently the market barriers determine the appearance of new companies in the market and the degree of attractiveness of the market for them.

In this research stand out three types of barriers in the Russian market: financial barriers, technological barriers and legal barriers [10]. Let us consider the barriers in more detail. Financial barriers are expressed in high-price competition through the use of economies of scale of the large enterprises.

This reduces the possibility of pricing of the enterprises of services and generates a low level of profitability of the business service in the Russian market, what makes it unattractive for new players and investors.

An another financial barrier is the necessity of brand forming and managing. Small and medium enterprises, especially start-ups (start-up) do not have financial resources to form a brand, so their entry into the Russian market of services and the formation of customer base is difficult. Despite the significantly lower capital intensity in comparison with the real sector of the economy is the capital intensity of the market of services high enough, that causes the necessity of enterprises of tending to enter this market to have financial recourses and equipment, what limits their access to the market.

Technological barriers are formed by the applied technologies of the service operations and are characterized with a high degree of service differentiation in the market. In order to enter the Russian market of services the companies under these conditions should immediately offer a wide range of products to consumers, otherwise they will not be able to generate the client base, what creates difficulties for the market entering [11].

High business risks are caused in the first place by the forming of business on the basis of cooperation with suppliers and delivery services, what reduces the market power of enterprises and put them in dependence on supporting and providing market. Also, with the rapid development of technology is a constant appearance of substitute products which leads to the necessity of the continuous development of the service enterprises.

The high cost of the switching of the customer from one provider service to another is formed by the system of customer retention, actively used in the Russian market. High market power of the intermediaries is caused by the low level of competition in the market delivery.

Legal barriers form an unfavorable business environment in the Russian market as a result of government policy. In particular, the complexity of the forming of business, high taxes which are the main barriers in the Russian market of services are common for all sectors of the Russian economy. Barriers of the Russian market of services are given in Table 1.

**Table 1. Barriers of the Russian market of services [author]**

Barriers of the Russian market of services	Characteristic of barriers	The degree of influence of the barriers at the service industries
Financial barriers		
<b>High price competition through the using of economies of scale by the large enterprises</b>	The presence of the major players in the market and the large volume of their sales determine their access to economies of scale and reduce the general level of prices in the market until the cost.	high
<b>the necessity of brand forming and managing</b>	<b>High degree of saturation of the market services with brands causes high brands competition and generates high cost of advertising and promotion service</b>	high
<b>High capital intensity</b>	<b>Modern technologies of service processes suggest providing service enterprises considerable capital (equipment)</b>	high
Technological barriers		
<b>The high degree of differentiation of services in the market</b>	<b>The presence of a large variety of services causes the complexity of formation of brand identity and the necessity of providing of a large range of services and their constant update</b>	medium
<b>High business risks</b>	<b>The instability of demand, the abundance of substitute products, the dependence of intermediaries cause high business risks.</b>	medium
<b>High cost of customer switching from one provider service to another</b>	The customer switching is complicated by the presence of loyalty cards offering a discount on services	high
High market power of intermediaries	Service enterprises are not the latest in the chain of the additional value of the provided services, so they are forced to interact with the intermediaries (for example, with the delivery service) among which the competition is much lower than in the market of services	medium
Legal barriers		
<b>Unfavorable business environment</b>	<b>The complexity of the business forming, high taxes</b>	medium

As it is shown in the Table 1 the most high degree of influence of the barriers at the service enterprises characterizes the price competition, brand managing, capital intensity and cost of customers switching. Legal barriers depend on external macroeconomic factors, on which the service enterprises are not able to influence. Financial and technological barriers depend more on internal factors, which are caused by the applicable technology of the service processes by the Russian service enterprises.

### Discussion

In this research is offered the integration of the system of the quality control as a perspective direction of the improvement of the technology of the service processes in the Russian market of service.

As a part of the designated measures it is offered to use the following mechanisms [12]:

1. The carrying out an organizational design. С этой целью важно based on the centering to clients. For this purpose, it is important to determine the quality of the strategy service organization, its orientation and benefits. The formation of such strategy begins with the selection of its operational orientation and with the determination of achieved priorities on which base the enterprises, which work in the services, will compete in the market.

2. Establishing customer feedback in the field of quality assessment of services of the service company.

In the system of management quality should be clearly defined powers, responsibilities and interaction of all the staff of the enterprise service. In the basis of surveying are laid such quality features as

the time of servicing, quality of certain operations and processes, the range of services, affordability of prices, customer wishes.

3. Providing of the resource support (material and technical equipment) of the service enterprises in the management of the service quality. It is known that some firms tend to make a quick profit without investing in the purchase of appropriate equipment and materials. This inevitably raises a problem with the quality of public services.

Acting in the Russian market technology of the service processes suggests a low degree of automation and customer orientation. The improvement of the technology of the service processes assumes automating of the service processes and their adaptation to the requirements of clients. The using of modern technologies in Russian market of services helps the enterprises of doing their business online.

It is offered by the author of this research to improve the technology of the service processes in the Russian market in the following high-priority areas:

1. Containerization (packing). Container delivery is a key for revolution in the distribution and transportation. Due to the standardization of sizes of containers it became possible to develop national and international systems of packaging and delivery of the large quantity of goods.

2. The container can accommodate large quantity of goods. It can be delivered as by water, air, road, rail with the low transport costs.

3. The online system of reservation and placing orders. This system eliminates the necessity of the visit to the office for recording for receiving of the services, forms the online chain of clients and allows them to choose the most convenient time for them for receiving of services, as well as giving of characterization of services. This technology of the service processes provides better, faster service with less errors and lower costs.

4. The system of storage. The control by the computer of this system of storage assumes the formation of warehousing database of goods to be stored and the automated movement of the warehouse operator command. Such system consists of a series of pallets on which goods are placed through the controlled conveyors that move the tray to any of several passages where the good are stored.

5. The system of the bar-codes. This system assumes the assignment for goods the unique symbols (bar-codes) though which goods can be quickly and easily identified, considered evaluated and sold. In the frameworks of this system goods are collected from storage though an electronic chain of

orders. Stackers, conveyors and computer guided cards collect orders and placed the goods on pallets for sending.

## Conclusion

The suggested ways of the improvement of the technology of service processes in the Russian market can eliminate the financial and technological barriers and create barrier-free market environment [13]. The automation of the business processes will allow the optimization of the production costs and reducing the service price competition in the market [14].

Doing your business online allows you the access to new ways of brand management. Online advertising is cheaper and the maintenance of site of your company allows you to create directly in the site a brand reducing the brand management costs to a minimum, while achieving high efficiency. Doing business online also helps by reducing of the capital intensity of service enterprises because it eliminates the necessity of keeping the office of the enterprises and storage products by optimization of the system of procurement orders [15].

The cost of customer switching can be reduced through the active price competition. The costs meaning of the customer switching can be reduced by the brand managing and by the increasing of the range and quality of provided services [16].

Thus, the formation of a barrier-free environment in the Russian market as a result of improvement of the technology of used service processes will lead to the arrival of new players in the market, improvement of service quality, increasing of the range of services and price reduction for the services. As the result it will be the increasing of the share of services in the structure of the Russian economy and thus the formation of a post-industrial economy type, more complete satisfaction of the requirements of the Russian society in the services, as well as the acceleration of economic growth to increase of the gross domestic product in additional tax revenues from services and as a result the improvement of the welfare of the population of Russia.

The obtained results of this research are planned to be used in the processes in Russian service enterprises. Limitations of this work is the limited effect of the implementation of the proposed measures of improvement of service processes, which leads to the reducing of market barriers, but the formation of a barrier-free market environment cannot occur.

In this regard there are perspectives for the future research on the topic of formation of a barrier-free environment in the Russian market of services

related to a search of new, more effective mechanisms for improvement of the service processes.

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