Yurii Chaplinskyi, Candidate of Economic Sciences, Associate Professor, <u>https://orcid.org/0000-0002-1912-4447</u> Valentyn Niculcha, Candidate of Economic Sciences, Senior Lecturer, https://orcid.org/0000-0003-0523-3287 Chernivtsi Institute of Trade and Economics of KNUTE, Chernivtsi

GROUPING COSTS FOR THE DEVELOPMENT AND IMPLEMENTATION OF A LOYALTY PROGRAM

Summary

In the process of marketing activities of the enterprise there are questions of expediency of development and implementation in their practical activity of loyalty programs which are an effective tool of communication influence on the consumer and in the long run lead to growth of indicators of efficiency of enterprise activity. Loyalty programs are aimed at increasing the competitiveness of the enterprise, building a strategy of long-term, mutually beneficial relationships with actual and potential consumers of goods because of their attraction, retention and multiplication. An important issue in terms of assessing the effectiveness of the loyalty program is the formation of its financial concept, which is to forecast and assess the future costs of implementing a loyalty program and opportunities to cover them. That is why the issues of systematization of the costs of the loyalty program become relevant, taking into account all the planned activities and the marketing tools necessary for their promotion. The purpose of the article is to systematize individual items of expenditure for the development and implementation of a loyalty program in accordance with its key components. The article systematizes the main costs for the development and implementation of a loyalty program in the marketing activities of the enterprise. It is determined that the costs should be grouped into five main groups: the cost of forming a customer database; costs for a set of communications with customers; the cost of financing the tangible and intangible benefits of loyalty programs; the cost of operating the analytical core of the loyalty program; costs associated with staffing the management of the loyalty program. In each of the identified groups, specific cost items for the development and implementation of a loyalty program are identified. The introduction of the proposed systematization of the costs of the loyalty program will optimize them and maximize their effectiveness, which in the future will bring to a new level of quality management of marketing activities in general, and marketing communications in particular.

Keywords: costs, loyalty program, customer database; complex of communications with clients; loyalty system management.

References:

1. *IT enterprise* (2021). Business analytics. URL: https://www.it.ua/knowledge-base/technology-innovation/business-intelligence-bi (Accessed 12 January 2021) (in Ukr.).

2. *Institutional Repository NTU Dnipro Polytechnic* (2017). Budgeting of enterprises. URL: http://ir.nmu.org.ua/bitstream/handle/123456789/152794/CD1011.pdf?sequence =1&isAllowed=y (Accessed 12 January 2021) (in Ukr.).

3. Ivannikova, M. M. (2014) Marketing management of consumer loyalty. *Marketynh i menedzhment innovatsij* [*Marketing and management of innovations*], vol. 3. URL: http://nbuv.gov.ua/UJRN/Mimi_2014_3_8. (Accessed 12 January 2021) (in Ukr.).

4. The Electronic Archive of Igor Sikorsky Kyiv Polytechnic Institute (2012). Customer loyalty programs to the brand. URL: https://ela.kpi.ua/bitstream/123456789/12367/1/2012_5_Klyachenko.pdf. (Accessed 12 January 2021) (in Ukr.).

5. The Electronic Archive of Igor Sikorsky Kyiv Polytechnic Institute (2019). Principles and methods of customer management. Implementation of customer management system. URL:

https://ela.kpi.ua/bitstream/123456789/29489/1/2019-13_3-06.pdf (Accessed 12 January 2021) (in Ukr.).

6. Lysyuk, T.V., Tereshchuk, A.S., Pack, T. (2017). Consumer loyalty programs as a promising area of innovative activity of restaurant enterprises. *Naukovyj visnyk mizhnarodnoho humanitarnoho universytetu* [Scientific Bulletin of the International Humanities University], vol. 24, part 1, pp. 116–119 (in Ukr.).

7. Lishchynska, L.B. (2015). The main aspects of automation of work with clients by means of CRM-systems. *Visnyk Khmel'nyts'koho natsional'noho universytetu* [*Visnyk Khmel'nyts'koho natsional'noho universytetu*], vol. 5(1), pp. 206–209 (in Ukr.).

8. Nikul'cha, V.A., Chaplins'kyj, Yu.B. (2018). Methodical approach to the estimation of mutual changes within the framework of motivational interaction of retail and consumer enterprises. *Visnyk Chernivets'koho torhovel'no-ekonomichnoho instytutu [Bulletin of the Chernivtsi Trade and Economic Institute]*, vol. I–II (69–70), pp. 258–264 (in Ukr.).

9. Savina, G.G., Yakovenko, O.V. (2019). Management of the client base of a tourist enterprise with the use of Internet resources: economic aspect / *Naukovyj visnyk Uzhhorods'koho natsional'noho universytetu [Naukovyj visnyk Uzhhorods'koho natsional'noho universytetu]*, vol. 25, part 2, pp. 107–110 (in Ukr.).

10. Chaplins'kyj, Yu.B., Nikul'cha, V.A. (2019). The mechanism of formation of the system of consumer loyalty to the tourist enterprise. *Visnyk Chernivets'koho torhovel'no-ekonomichnoho instytutu [Bulletin of the Chernivtsi Trade and Economic Institute]*, vol. I (73), pp. 122–130 (in Ukr.).