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THEORETICAL AND PRACTICAL ASPECTS OF HUMAN SERVICES IN UKRAINE

Abstract. In the article the sale of commodity requires more developed network, that includes for itself services, that is given during realization, and service of after sale service is determined, because sing as services are the inalienable constituent of trading in commodities. The differences of services are separated. The features of market of services are distinguished. The most widespread concepts “services” and its classifications are exanimated. The analysis of import and export services development is carried out.

Keywords: services, market services, export, import.

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ТЕОРЕТИЧНІ ТА ПРАКТИЧНІ АСПЕКТИ РОЗВИТКУ СФЕРИ ПОСЛУГ В УКРАЇНИ

Анотація. У статті визначено, що оскільки послуги є невід’ємним складником торгівлі товарами, то збут товару вимагає більш розвиненої мережі, яка включає в себе послуги, що надаються під час реалізації, і послуги післяпродажного обслуговування. Виокремлено відмінності послуг. Виділено особливості ринку послуг. Досліджено найбільш розповсюджені поняття «послуг» та їх класифікації. Здійснено аналіз імпорту і експорту послуг.

Ключові слова: послуги, ринок послуг, сфера послуг, експорт, імпорт.

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ТЕОРЕТИЧЕСКИЕ И ПРАКТИЧЕСКИЕ АСПЕКТЫ РАЗВИТИЯ СФЕРЫ УСЛУГ В УКРАИНЕ

Аннотация. В статье определено, что поскольку услуги являются неотъемлемой составляющей торговли товарами, то сбыт товара требует более развитой сети, которая включает в себя услуги, предоставляемые при реализации, и услуги послепродажного обслуживания. Выделены отличия услуг. Выделены особенности рынка услуг. Исследованы наиболее распространенные понятия «услуг» и их классификации. Осуществлен анализ импорта и экспорта услуг.

Ключевые слова: услуги, рынок услуг, сфера услуг, импорт, экспорт.

Introduction. In time of evolution of mankind, science and technology, mechanization of automation of physical labor, service industries are being developed and become a key sector of the economy. Without well-developed industry of services modern society cannot exist. The high level of dynamism and competition in

the market among service industries requires effective management, which would provide them competitive advantage.

Entrepreneurship of sphere of services performs a particular function in the economy. The essence of this function is reduced to updating the economy, creating an innovative environment that leads to the destruction of traditional structures and opening the way to changes. It becomes a force which accelerates the movement of the economy towards efficiency, rationalization, thrift and constant renovation [1].

World experience proves that a fundamental element of becoming a post-industrial society is a sphere of services. Functioning of this sphere in each country is different. Each state takes specific steps to support the segment of the service sector that is relevant for the future. The country's specialization in certain types of services depends on the level of economic development. The study of sphere of services in Ukraine at this stage is very important and urgent.

Analysis of recent research and publications. In the scientific literature, theoretical and methodological bases of research of sphere of services in the economy were laid in the works of such famous classical economists as F. Bastia, A. Smith, J.-B. Say, K. Marx, A. Marshall and others. Justification of the increasing role of the service sector in the development of a modern economy is reflected in the works of such scholars as Daniel Bell, Z. Brzezinski, P. Drucker, C. Clark, A. Toffler and others. Selected issues development of market relations in the service of transitional economy are considered in the works of Russian and Ukrainian scholars as B. Bazylevych, T. Blinov, Z. Varnalii, M. Voinarenko, A. Havryliuk, M. Dolishnii, G. Zhuravliov, V. Kozak, T. Koriahin, O. Kocherha, V. Kutsenko, B. Danylyshyn, V. Proskuriakova, V. Novikov, A. Novoselov, V. Tikhomyrov and others.

Analysis of published works, materials and discussions devoted to the study of this problem showed that still there are many unexplored theoretical issues and unresolved practical problems. In terms of the transformation process in Ukraine there remains undecided the functioning of the service sector as a factor in economic development.

Purpose. Ground the increase of role to the sector of services in development of modern economy of Ukraine. Define the difference of services from commodities. Separate the features of market of services. Examine the most widespread concepts “services” and its classifications. Carry out the analysis of import and export of services.

The main results of the study. The issue of economic development policy in the service sector is very important. It should be noted that in programs of economic development of sphere of services is not classified as priority area of development, and not even considered as a separate object of structural policy.

Formation and development of market economy in Ukraine causes necessity of improvement of service industries management, targeting of management system to market economy, the ability to quickly and flexibly respond to changes in the marketing environment.

Foreign and domestic scholars paid attention to the service sector in the 50's and 60's of the last century. Research in marketing services began in the early '70s. In this field foreign economists are ahead of their Russian colleagues. Abroad, today there are about seventy research groups in universities, studying management and marketing services. The first domestic publications on this subject appeared in the early 90's [2].

It should be noted that mostly service sector develops with the development of the society. In particular, an increase in employment in this sector, the growth of technical equipment of labor, the introduction of improved technologies is observed. This situation is related to the complication the production, market saturation of items of everyday usage as well as individual demand, with the rapid growth of scientific and technological progress, which leads to significant changes in the life of every society. Without functioning or providing information, financial, transportation, insurance and other services that cannot be achieved. Since services are an integral part of trade, the sale of goods requires a well-developed network that includes services provided during selling and after sales support services [3].

The service is an intangible product and as opposed to material product it has the following features:

1. Difficulty of standardization and quality control. Standardization in the sphere of services – is one of the ways to protect the interests of consumers in terms of their safety. Standards for services help to compare different offers and make choices according to the needs. Standards for services are an incentive for competing firms in the industry to improve the quality and perfection of the range of provided services, the company is able to provide their baseline.

2. Absence of the product contents. Since the service is an action by nature and is not saved, it cannot be stored in any quantity. Thereby, the company does not need a warehouse for finished products. However, it may require additional capabilities (facilities, equipment and manpower) to meet customer needs during periods of increased demand for services.

3. The time factor. Many services are provided in real time. For example, the consumer must be present at time of service of airlines, restaurants, hotels, hospitals, sports clubs, consulting center. It is often difficult to determine accurately in advance how long it takes to perform the service. There are time limits on how long can or want the consumer to wait for the services and how long this process will take. In any case, the company must give the consumer an idea of the period of time needed to receive services [4, p. 118].

4. The structure of distribution channels. Unlike tangible goods that require physical channels for their promotion from the manufacturer to the consumer, distribution of services is performed by technical means (money transfer banks, television broadcasting), or by combining the place of production of services and its consumption (restaurants, hotels, saunas, hairdressers). The process of bringing services to the consumer is done with help of the operation of so-called delivery systems. Types of delivery systems can vary widely. The marketers face the problem of choosing one that would correspond to class of consumers and the high level of service.

Distinctive features of services are caused by their nature and determine the specific of services market. Since the service is not to be physically given, the consumer cannot actually compare the offers of different vendors, even when products seem identical. For example comparison of services in boots repair shops is only possible after receiving services. At the same time tangible goods can be compared to their acquisition. In the services market a consumer can only compare the expected benefits (before the very service) as well as expected and received benefits (after providing services) [5, p. 202].

Researchers state that sphere of services is a separate branch of state economy which aims to reproduction of various types of services. However, the service market is regarded as a sphere of services exchange and is a result nonproduction sphere's work. This sphere includes trade, transport, finance, insurance, culture, sports, medicine, various dealerships and other areas [5].

On the basis of theoretical statements of scientist O.B. Morhulets we have identified features of the service market [5]:

1. The specificity of services production organization. Providers of services are often small and medium enterprises of various profiles. Being mobile, they have significant opportunities for flexible response to changes of market conditions. Such enterprises generally more effectively work in conditions of the local market.

2. The specificity of the service delivery process is caused by personal contact of the manufacturer and the consumer. Such contact, on the one hand, creates conditions for effective expansion of communication links, and on the other – increases requirements for professional qualification skills, experience and common culture of producer.

3. High dynamism of market processes. This feature of the market of services is related to both the dynamic nature of demand for services and the dynamics of supply on the market due to the flexibility of the sectoral structure of services.

4. Territorial segmentation. Forms of services provision, demand and operating conditions of enterprises depend on the characteristics of the service area covered by a particular market. Therefore, the territorial criterion at this stage is crucial.

5. Local character. This property of services market is conditioned by the influence of territorial specificity. Under the influence of local conditions market becomes clear spatial delineation, which forms are different from others, but similar to each other socioeconomic characteristics. Services market is localized within boundaries of territorial entities, although the magnitude of these entities can be varied.

6. Large speed of capital turnover as the result of a shorter production cycle is one of the main business benefits in the service sector.

7. High sensitivity to changes in market conditions is predetermined by failure to store, warehouse and transport services and as a rule, both spatial and simultaneous coincidence of production and consumption. This property of services creates difficulties in production and business activities. It creates high demands to the accuracy of the analysis and forecast of demand for services and other factors, market conditions, and increases the risk of unpredictable changes.

8. The high degree of differentiation of services is associated with diversification, individualization and personification of demand for services. The complex structure of demand leads to the emergence of new, innovative services. This process is due to the saturation of the market demand growing more and more.

9. A significant sectoral and territorial differentiation caused by differences in levels of economic development and living standards.

10. Diversification, which is caused by the growth of the population's needs.

11. Mobility of subjects of services market.

The concept "services" as a particular type of economic activity exists in the scientific literature for a long time. In the defined extent it involves a close relationship of certain activities, "product of which can be defined as a service". However, we see that in the interpretation of the term by academic economists there is a significant difference. So in this work we will consider different points of view of scientists to define their concept of "services".

Service is sometimes understood as an activity that does not create a separate product, object or material wealth. This definition is incorrect if we speak about the

service of tailoring or shoe making from the material of the customer. Service is defined as the useful effect, things, deeds or actions in general [5]. However, notwithstanding the above mentioned facts, we disagree with this interpretation of the term as it is given in general and has no specificity.

R. Maleri considers that "services are intangible assets, which are made with aim to sale", and intangible assets (or intangible values) – values that are not physical, material objects, but they have value, monetary value; service - a process, a number of actions. These actions can serve as instruments for creation of values , but they are not values themselves. If certain measures are only useful for someone who uses them (exercise in the morning), they cannot be considered as service [6].

Researcher J. Hrenroos believes that service is a process that includes a series (or some) intangible actions that occur when needed during the interaction between customers and service personnel, physical resources, enterprise systems - service providers. This process is mainly aimed at solving the problems of the buyer of service [7]. Therefore, we fully agree with this definition, because we believe that a scientist gives quite an accurate description of the service.

Other scholars claim that service is a certain event or benefit that one party can offer to another and that in the vast majority are impalpable and do not result in the appropriation of something.

The increasing role and impact of services sphere on the economy led to the need for research as to the classification of services by type and identify the level of regulation of their sphere. It should be noted that the consensus on the classification of services does not exist. For example, a number of services according to the classification of the United Nations (UN) include 160 types of services, divided into 12 major sections:

1. Business services – 46 types of industrial types.
2. Communication – 25 types.
3. Construction and engineering services – 5 types.
4. Distribution services – 5 types.
5. General education service – 5 types.

6. Services to protect the environment – 4 types.
7. Financial services (including insurance) – 17 types.
8. Health and social services – 4 types.
9. Tourism and Travel – 4 types.
10. Leisure, culture and sport services – 5 types.
11. Transportation – 33 types.
12. Other services.

The most common classification of services is based on the following criteria:

1. Nature of producer of services. According to this criterion are defined: services provided by the people; services provided by machines.

For example, educational institutions, a number of households and recreational services have little need for the equipment and for transportation companies, health care, communications, machines and mechanisms.

2. Presence of the customer at time of service: services that require the presence of the customer at the time of service; services that do not require the presence of the client.

The first group is large, so the production of services is usually combined with its consumption and the presence of the consumer in this process is usually required. Break the chain "consumer-producer" is possible in the case of the services under the previous application or in the case of a long production process (literature search, ordered in a library, appliance repair). But in this case the service is useful not as a thing but as an activity it is inseparable from the manufacturer [9, p. 105-106].

3. Motives of producer of services. By this criterion commercial and charitable services are distinguished. Production of commercial services is aimed at making profit, and its result has economic character. The process of providing charitable services is aimed at obtaining a specific social effect.

4. Belonging to a particular field of service. Sectoral classification of services constantly develops. However, there are a number of industries with

quite stable position in the classification in both domestic and foreign practices: health services; education services; utility services; household services.

New non-traditional services emerge (tourism, communicative and information related to real estate). Their appearance is caused by economic reforms, changes in economic mindset, a better knowledge of the nature of the processes occurring in the non-production sphere.

Belonging to a particular group of product assortment. The various service sectors have own classification of product lines. It is based on the similarity of target orientation and nature of functioning services. This classification can be formal, that is used by the administrative authorities and statistics, but can have more free form. The latter classification is more dynamic and changes depending on the tasks, time and place of service. For instance, there officially exists assigned classification of cultural and leisure services. It includes services in the field of technical creativity, art, sports and recreation area. At the same time in tourism, close to cultural and recreational needs in relation to the scope that are met, you can meet with a great variety of classifications [9, p.76].

In today's national economy's development to the world of economy is performed significant development of import and export services. According to international statistics, more than 50% foreign investments are invested in the development of the market services sector, which confirms the relevance, interest and views on development of this aspect of the economy. Dynamics of export-import of services in Ukraine for 2011-2013 is shown in Fig. 1 [10].

By 2013, total exports of services were up to 14509.2 million dollars U.S. import – 7649.3 Compared with 2012 these figures increased by 6.7% and 13.6%.

The structure of Ukrainian export of services over time remains almost unchanged. In 2013 the largest volumes had transportation, occupying 56.1% of total exports (by pipeline services, rail, air and sea), services for processing of material resources – 11.8%, business services – 10.3% and services in the telecommunications, computer and information services – 10%.

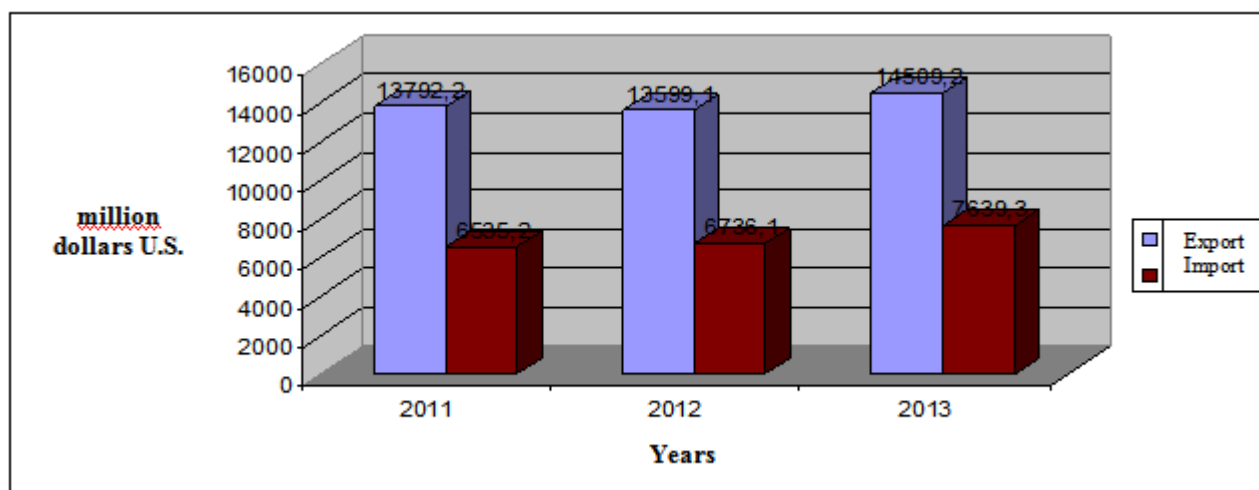


Fig.1. Dynamics of export-import services in Ukraine for 2011-2013.

During 2013 there was a quarterly increase in volumes of both export and import services. Compared to 2012 total export of services increased by 910.1 million dollars due to the growth of services of processing material resources to 1108.9 million dollars, in telecommunications, computer and information services – 316.9 million dollars. Services related to financing activities – 102.6 million dollars, business services – 34.3 million dollars, royalties and other services related to the use of intellectual property – 32.9 million dollars.

At the same time the volume of export of transportation services reduced to 386 million dollars (by reducing the export of services for air transport, maritime, railway transportation, and other additional transport services), services of repair and maintenance, which are not included to other categories of services – to 245,9 million dollars, insurance services – 28.2 million dollars, services to private persons, cultural and recreational services – 26 million dollars and services related to travels – 17.6 million. The share of services exports to countries of the European Union has increased relatively to 2012 and comprised 29% of total exports and to CIS countries was reduced to 41.3%.

In a table 1 the analysis of volumes of the realized services on the enterprises of Ukraine is carried out.

Table 1

**Volumes of the rendered services after the types of economic activity in
Ukraine for 2005-2012, million hryven [10]**

Index	Years					Rejection, %	
	2005	2008	2010	2011	2012	2012 to 2011	2012 to 2005
Trade; repair of cars, domestic wares and articles of the personal consumption	656	1862	1545	1614	1853	14,8	182,5
Activity of hotels and restaurants	1633	3749	3408	4248	5044	18,7	209,4
Activity of transport and connection	63979	128443	134012	149398	180301	20,7	182,4
Operations with the real estate, lease, engineering and grant of services to the businessmen	20055	61478	65661	78679	93399	18,7	365,1
Education	1940	2923	3137	3373	3476	3,1	79,2
Health protection and grant of social help	2511	5259	5989	6774	8088	19,4	222,7
Grant of building and individual services, activity in the field of a culture and sport including, activity in the field of a culture and sport, rest and entertainments	5057	12087	10833	13037	15999	22,7	216,4
	3546	8949	7262	8588	11219	30,6	216,2
All	95832	215801	224583	257123	308160	19,8	221,2

The conducted analysis of statistical data of volume of the realized services showed that in a period from 2005 to 2012 in the field of services there was a noticeable tendency in relation to its increase. In 2005 this number presented a 95 832 million hrn., in 2012 is a 308 160 million hrn.

Conclusion. In summary, it should be noted that service business in Ukraine is that dynamic sector of economy, where demand grows constantly, and creating potential for a long-term production. The developed world market envisages not only the presence of market of commodities but also to the market of services, as practically all organizations render services up to a point. Service business is a separate link of economy of the state, the aim of that is a recreation of various types

of services. At the same time examine the market of services as a sphere of exchange services, which is a result of enterprise's work of unproductive sphere (embraces trade, transport, financing, insurance, culture and sport, medicine, various mediation and other spheres).

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