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MARKETING OF B2B STARTUPS IN THE INDUSTRIAL MARKET

Every year in Ukraine, the number of innovative ideas and people willing to implement them is growing. According to the country ranking compiled by the Startup Ranking service, in 2021 Ukraine took 38th place in the world by the number of startups with 351 projects [1]. Therefore, our country has a high potential in the development and implementation of startup projects, but domestic entrepreneurs often lack experience and resources for business development. That's why the effective use of marketing is an extremely important and relevant issue at all stages of project development. Despite the vital role and desire for further understanding of B2B startup marketing, there is a lack of research on the application of its tools and strategies.

Marketing of startups based on B2B business model is more complex than for B2C business models. Enterprises aren't interested in cooperation and buying innovative products from small entrepreneurs or to finance startup development. They have a long procedure for approving purchases and focus on products that are already on the market, develop their own innovations or order developments from companies that specialize in it. The problem of the studied type of startups is that B2B businesses are likely to buy offers in large volumes and are more open to buying expensive products if they see value in it. In addition, there are other difficulties that B2B startup developers often face with:

- enterprise purchases, especially state-owned ones, may be subject to participation in a tender process organized by the buyer, where offers are requested. Newly established start-up companies often don't have sufficient capacity to participate in such tenders;
- the decision to buy can be made over a long period of time, which is not attractive for startups that are scaling up, moving from one round of development to another;
- decision-making by enterprises also depends on various approvals, even if engineers understand the need for development offered by a startup, the decision is subject to approval by the commercial office, company management, departments. In this regard, the presentation of the startup's product for the company may take a long time, accompanied by convincing of its feasibility for the enterprise;

- in B2C business model startups have the opportunity to launch a minimum viable product (MVP) on the market, and in the case of B2B, this opportunity is limited, since enterprises need ready-made perfect products that would also be accompanied by warranty service;
- enterprises may require working prototypes of the product for testing, which requires additional investments. In addition, startups do not always have the ability to implement technologies, equipment, their settings and support.

Scientists identify five main stages of launching a startup to the industrial market

[2]:

1) generation of ideas, hypotheses, their verification based on the use of the Lean Canvas model (preliminary determination of the target audience, problems and alternatives for it's solution, methods of promotion, financial benefits);

2) marketing analysis of the startup. After the making the decision to launch a startup, the micro- and macro-marketing environment is analyzed. Competition is analyzed, market opportunities and threats are identified, and the startup's MVP is developed. Since the market is industrial, you can use a computer model;

3) project planning. It involves developing a schedule for launching the project, the need for material and intangible resources, planning production volumes, determining the need for personnel and the cost of attracting it;

4) financial and economic analysis and risk assessment. At this stage, the amount of investment, the cost of production, possible profit, project risk factors and the ability to prevent it in time are determined;

5) commercialization of the startup project. At this stage, potential investors are selected and a commercial offer is formed for them. Further, measures to promote this offer are developed (it will be the implementation plan for the project launch).

According to O. Kofanov, marketing support of B2B startups in the industrial market includes the following components [3]:

- industrial marketing. It is characterized by a small number of consumers who are less sensitive to price. At the same time, there is a long chain of making decision, which is made by specialists. Advertising on the market is placed in professional publications, and promotion is carried out by direct sales;
- marketing of venture projects. It is focused on the latest achievements of science and technology, developing according to the growth strategy. It is difficult to predict the market, the risks of the project are always high, and the probability of success is low.

In addition to these components, it would be advisable to add that startups entering the industrial market should focus on a small audience, whose needs the project can definitely satisfy. The quality of the product is especially important in the market, so it is necessary to approach the development responsibly and demonstrate it to investors at the beginning of implementation. Developers need to determine the range of potential consumer enterprises and at the testing stage to give them products for use to get feedback

(it must be taken into account when developing the final product to obtain the best result). Since the value of the brand in the industrial market is not as high as in the consumer market, the audience can easily be captured by a new quality product that will cover its needs.

Among the tools to stimulate sales in the B2B market are the following:
flexible system of discounts - entrepreneurs should be ready to meet halfway to get a contract for the future;
participation in highly specialized exhibitions - an opportunity to communicate with potential consumers closely, get acquainted with competitors and present business to the market.

The theses highlight the principles of B2B startups implementation in the industrial market. Quality marketing support is a necessary component of projects that shouldn't be neglected. However, the considered aspects cover only a small part of the complex issue and require further in-depth research.

References

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