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TRENDS AND STATE OF THE CONSUMER SERVICE MARKET IN UKRAINE

A consumer service market is a collection of companies and organizations whose activities are connected with the satisfaction of specific needs of individual customers. Provision of public services or consumer services, fulfilling people's demands that are related to their social life, designed to meet different kinds of family and domestic human needs. This industry is one of the main structural parts of the service sector that is developing rapidly, the most important motive of which is to increase people's needs, i.e. their ability to consume the material and spiritual benefits.

Problematic aspects of the services market in Ukraine are reflected in scientific works of many leading Ukrainian scholars. An important contribution to this perspective was done by A.I. Amosha, M.I. Dolishniy, I.I. Lukinov, A.F.Mel'nyk, O.B. Morhulets, O.V. Pyroh, O.I. Reshetnyak, T.M. Sydorenko, O.P. Vashkiv and others.

A market condition of public services in Ukraine is one of the important links in the sectors of paid services. This industry provides a reduction in time to meet public needs at home, contributing to the increase of leisure time of citizens for purposes of self-education, recreation, satisfaction of cultural needs, etc.

Today activities to provide services, including residential, was economically more advantageous than production, as service companies have a faster turnover of funds and requiring smaller amounts of initial investment [1, p. 10]. Thus, consumer services market in Ukraine is characterized by an absolute predominance in its environment of small businesses. This generally corresponds to the characteristics of the services markets of developed countries. The only exceptions are the diversified companies that offer a wide range of public services.

One of the sector consumer services features includes the fact that the structure of current assets is as follows: inventories are about 50–60%; working capital in the production of 20–25%; working capital turnover in the area of 20–25% [2, p. 426].

The industry of consumer services provides over 900 types of services to the population [1, p. 10]. In practice, all services in the field of consumer services are divided into three groups:

- services related to the creation of new use values (tailoring, knitwear, furniture, housing, etc.)
- services to maintain previously established values – a variety of repair services character (shoe repair, clothing, knitwear, radio equipment, appliances, cleaning, furniture repair, home, etc.)

– services connected with the creation or maintenance of consumer values – a personal services (hairdressing services, saunas etc.).

These services are significantly different in the technological characteristics of their performance. However, they share common social and economic purposes. The activities of companies in consumer services market are designed to meet the needs of public services in domestic nature and it is what unites them. Classifications of public services carried out by the following features are: a) the nature of services – manufacturing and nonmanufacturing services. Manufacturing services include the manufacture, repair and updating of products, and the non-production – services in pure form, with no tangible implementation of certain commodities (services hairdressing salons, saunas, information service etc.); b) for sectoral groups services – repair and tailoring footwear, sewing clothing, fur and leather products, hats and textile or haberdashery and furniture repair, hairdressing services, etc.; c) by purpose – service to the public, businesses and organizations, which equate to service domestic service; factories that manufacture household appliances and machines for warranty repair; d) the presence or absence of pre-order services; e) the residence of the population – services to urban and rural residents; f) the method of realization – services performed by the same company, services performed in conjunction with municipal administrations or associations and unspecialized enterprises, cooperatives in the enterprise; g) the degree of novelty – service was first utilized in the reporting year and the services performed in the previous year; h) the form of service (conventional and progressive forms of service); i) according to the specialization of production (which complies or does not with the profile of the company); j) on the materials used, a material customer of a material enterprise; work with full materials and waste and recycled materials; k) scope of services – the kind of products that are manufactured or repaired by a repair group (small, medium, etc.), type of work.

Creation of sectoral market of public services is a part of the overall process of market relations in the country. In consumer services, as well as in the services sector as a whole, the development of market relations was followed by more favorable conditions than other spheres of social production. The services sphere is functioning on relatively large number of small, medium and large enterprises with various forms of ownership (state, cooperative, individual) and rental companies.

Nowadays service organizations began to pay more attention to the individual needs of consumers, they have started to adapt to more stringent requirements for quality of service. It has caused a competitive relationship between domestic and foreign organizations, gaining the Ukrainian market. Competition in service quickly became tangible. The competitive situation has become an additional incentive for the development and improvement of consumer services Ukraine, finding new customers, product range and services provided the poor with appropriate prices for their services. The main factor of growth in personal services is the state and the level of scientific and technological progress. The quality of service is immensely dependent on it.

The development of the domestic service over the past three decades can be divided into three phases.

The first phase (1992–1998) is characterized by a fall in sales of paid services in the market. In the early 1990's, domestic demand for certain services rendered by service

companies has reduced greatly. The fall in demand for laundry, fax services was due to the significant reduction of income of the general population and the emergence of new simple to use and cost effective products that ensured the process of washing and ironing, copying and printing of documents and others. The disappearance of the trade deficit has reduced the need for repair services and individual tailoring [1, p. 8].

The second phase (from 1999 to 2012) shows mainly positive dynamics of development of the services sector and demonstrates the economic adaptation of consumer services for the population to market conditions [1, p. 9]. In structural terms of the size of enterprises most of the realized sales and services were provided by medium and small enterprises. However, during the 2006–2013 the share of services implemented by large companies increased from 17.5 to 32.0% [3, p. 67].

Third (current) stage has gained contradictory signs in industrial structural changes. Thus, according to «The World Factbook» in the period from 2012 to 2015 the share of services in GDP has increased from 59.1 to 62.7%. Then rapidly decreased to 59.3% during 2015–2016 [4]. However, while tracking the overall dynamics of the share of services in GDP, the growth during the years of independence of modern Ukraine should be pointed to. And, since 1995, the share of services has begun to dominate the industrial sector. However, this positive trend is not the evidence of saturation of the market of services across the spectrum of the economy. Thus, for example in the UK service sector is 79.6% in the structure of GDP in France – 79.0%, Germany – 69.1% in the US – 77.6% [5, p. 16].

So we can say that the general state of domestic service is far away from fully meeting the needs of Ukrainians, especially in socially necessary services. Some companies of the market services are in difficult financial straits. Thus, the main organizational and economic problems in domestic service are the following:

- imperfect legal regulation of activity of economic entities;
- professional fragmentation of consumer services;
- the lack of small towns and rural areas adequate network of consumer services;
- the low technical level of equipment most consumer services, the lack of domestic equipment, appliances and tools to provide these services;
- the lack of a qualification of specialists for work in market conditions;
- the lack of financial support enterprises of consumer services market [3, p. 67–68].

Regarding these important tasks entrepreneurship in domestic service should: provide a wide range of high-quality public services and the gradual achievement of European standards of service and saturation, improving the quality of orders and increasing production volumes.

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