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CAN STARTUP RESIST THE CORPORATION OR NOT?

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The purpose of the study:

- to justify advantages of startups;
- to figure out the conditions for successful development of startups;
- to explore the competition between startups and corporations.

The object of the research is start-up. Start-up is a young small company that has, as a rule, limited resources and has only just started its activities. The main purpose of startups is to simplify somehow the 'life' of users and generate income for its owners.

The subject of the research is the competition between startup and the corporation. Is it real for a startup to succeed?

The relevance of the study is that during the last few years a new direction «start-up» has emerged due to activization of the interest in scientific and technological developments in the national market. In contrast to other countries, where this practice is widespread and is actively supported by the state, particularly in the United States (since 1939), the development of start-ups in Ukraine is actually at an initial stage. An important condition for the success of a startup is its successful marketing promotion.

Startup is a project that differs in its characteristics from already existing companies in the market, and therefore it is forced to develop an independent strategy for marketing promotion, carefully study the question of promotion based on existing knowledge and use the existing tools to promote the commercial sphere at a particular angle. There are cases when the market that startup intends to occupy, at least partially, has already had a great company that has rather good reputation [1, 9 p.].

When the monopolist controls the market, it does not mean that he completely controls all the separately taken niches in this market. It seems to be that there are no strong points in startup in comparison with a huge company, but it is not true.

Advantages of a startup to the company-monopolist

The four bases on which should stand a startup in order to compete effectively with the company-monopolist:

- Idea
- Product
- Command
- Realization

The advantage №1.Unfamiliar. Low start-up recognition of a brand gives it an opportunity to experiment more often. The initial project has larger base for maneuvers unlike the corporations, which limit their range of action due to their size and the presence of a wide audience. The possibilities of experimenting with functionality and design are very limited in large companies, because the slightest misstep from them can be inflated by the media out of all recognition, which can harm the business. Almost everybody is loyal to start-ups: the investors, the media, venture capital funds and even their own audience.

The advantage №2.Small. Despite the harmonious management mechanism, enhanced customer support and possibly its own call-center of 100 people, the large companies will never be able to realize the truly individual approach to customers. The objective of such

companies is to minimize the time spent on communication with users in customer support. But high-quality service cannot be minimized.

For the purposes of the experiment, we also checked whether the start-up wins in the race for workers. The survey showed that employees prefer to work for large companies (Fig.1).

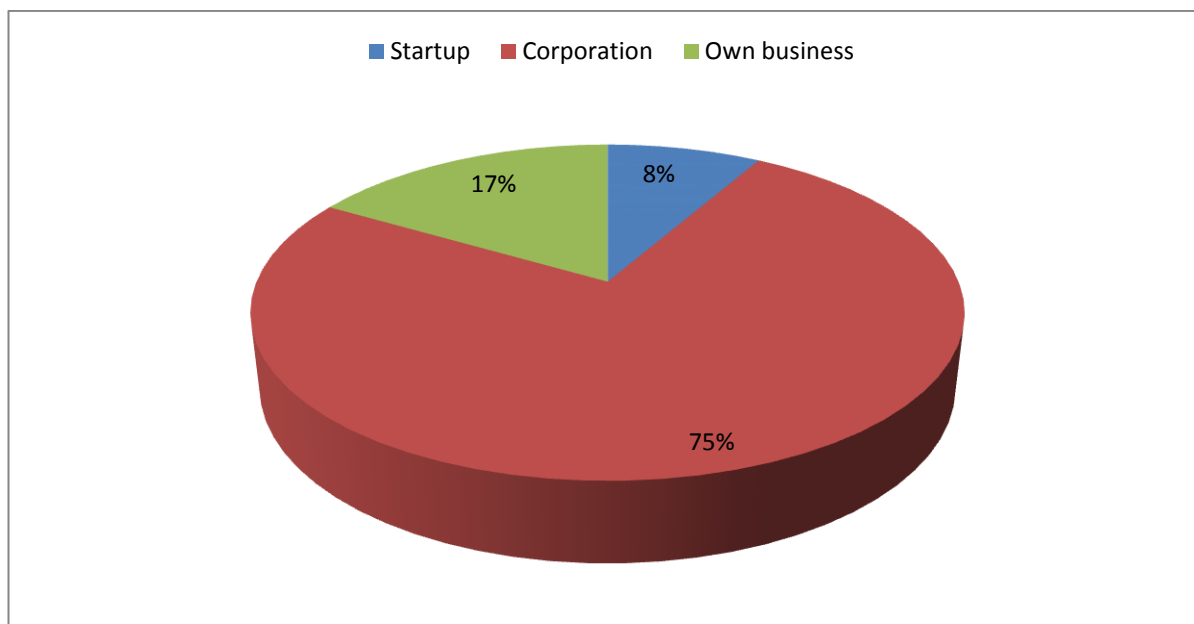


Fig.1. Diagram of research

To conclude, a sincere desire to help and personal attention to each client are the keys to the success of a startup that wants to occupy a small niche in the market, where monopoly established. Thus, according to Kevin Hale, co-founder of Wufoo, at the initial stage of the development of his company, he with his team of ten people sent handwritten letters to its users by post office every Friday. Even Microsoft cannot afford this!

Key words: startup, corporation, competition, advantages, market, monopoly.

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