## МЕНЕДЖМЕНТ MANAGEMENT

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**Н.І. Горбаль, М.В. Колодій** Національний університет "Львівська політехніка"

## АНТИКРИЗОВИЙ МАРКЕТИНГ ЯК СКЛАДОВА АНТИКРИЗОВОГО УПРАВЛІННЯ ПІДПРИЄМСТВА

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Проаналізовано особливості нестабільного середовища ведення бізнесу в Україні. Зокрема, наведено результати аналізування Індексу конкурентоспроможності України в 2013-2014 рр. Всесвітнім економічним форумом, за яким наша країна за останній рік у рейтингу втратила 11 позицій, — з 73 до 84. Проаналізовано сутність понять "криза", "антикризове управління" та визначено місце антикризового маркетингу у структурі антикризового управління підприємством. Зокрема, запропоновано трактування категорії "антикризовий маркетинг" як складової системи антикризового управління, яка має комплексний та системний характер, перманентно здійснюється суб'єктами господарювання, і спрямована на запобігання або усунення несприятливих для бізнесу явищ у сфері маркетингової діяльності через максимальне задоволення потреб споживачів, а також визначено проблематику його практичної реалізації суб'єктами господарювання. Дослідження особливостей антикризового маркетингу також дало змогу показати його місце в системі антикризового управління, виділити основні групи проблем на шляху реалізації концепції антикризового маркетингу та розробити комплексну класифікацію стратегій антикризового маркетингу за сукупністю ознак.

Ключові слова: криза, антикризове управління підприємством, антикризовий маркетинг.

**N.I. Horbal, M.V. Kolodiy** Lviv Polytechnic National University

## ANTICRISIS MARKETING AS PART OF THE ANTICRISIS MANAGEMENT OF THE ENTERPRISE

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This paper analyzes the features of the unstable business environment in Ukraine. In particular, the results of the review of the Competitiveness Index 2013-2014 of Ukraine by World Economic Forum are given. Our country over the last year lost 11 positions – from 73 to 84 – in the ranking. The essence of the concepts of "crisis", "crisis management" and the place of crisis marketing in the structure of crisis management are analyzed. In particular, the interpretation of the category "crisis marketing" is proposed as a part of crisis management, which is complex and systemic in nature, permanently used by business entities, and seeks to prevent or eliminate adverse effects in marketing by maximum satisfaction of consumer needs. The problems of its practical implementation are identified. Studies of anti-crisis marketing also helped to introduce its place in the system of crisis management, to identify the main groups of problems in implementing the concept of crisis marketing and develop a comprehensive classification of crisis marketing strategies.

**Key words:** crisis, crisis management of the company, (anti) crisis marketing.

**Problem setting.** Instability and the presence of crises, especially in a business environment, are the main features of the modern economic situation in Ukraine. Therefore, businesses are increasingly

searching for the anti-crisis mechanisms, which are very actual nowadays and can ensure the normal functioning or even improvement of the existing situation. Crisis marketing is one of such mechanisms. It's a part of the anti-crisis management.

Analysis of recent studies and publications. International and domestic studies pay special attention to research on issues of crisis management nowadays [2-6]. However, research and publications in the field of anti-crisis marketing are rare. Unfortunately, at present, domestic enterprises are not aware of the importance and benefits of crisis marketing, and thereby are not popularizing it in a business environment. The lack of practical application of crisis marketing by domestic firms is one of the factors of unpopularity of this issue among scholars. At the moment the features of crisis marketing are investigated only partially [7-10] and require further investigation of national scientists.

**Main goals of the article** – to describe the essence of crisis marketing and define its basic parameters, to justify its place in the system of enterprise's crisis management.

The main part of the article. For large national enterprises modern operating conditions are characterized by turbulence, especially the economic and political instability. More and more often international rating agencies such as "Fitch Ratings" and "Standard & Poor's" publish articles about the adverse economic climate in Ukraine, and forecasts are far from positive expectations.

The results of Ukraine's Competitiveness Index 2013-2014 by World Economic Forum are stunning. In particular, the report data indicates that our country over the last year in the ranking of global competitiveness has lost 11 positions, from 73 to 84 (index 4.05 points out of 7 possible). The worst positions among the studied parameters of the index are: infrastructure (4.1 points), technology development (3.3 points), finances (3.5 points), business development (3.7 points), innovations (3 points) and management (3 points). Also, it is worth noting that the most problematic factors for doing business in Ukraine in 2013-2014 were: limited access to finances (16.7 %), corruption (15.5 %), the negative impact of government bureaucracy (13.4 %), tax regulations (11 %), political instability (10.1 %), the tax level (8.4 %), foreign exchange regulation (4.2 %), lack of innovations (4.1 %), etc. [1].

Thus, we can confidently say that in the country with great potential there is a tendency to worsening economic conditions and lingering business crisis puts domestic companies to tough choices of the ways to overcome it. For this reason, more and more firms are turning to tenets of crisis management. The so-called national trait of doing business – unwillingness to see the crisis, – takes a back seat. In most cases, the main task for Ukrainian enterprises is not an improvement of functioning, but life support of their business.

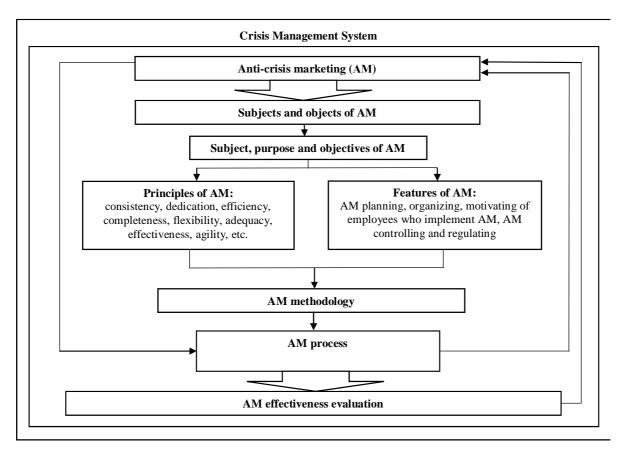
To maximize the effectiveness of crisis management, including marketing sphere, first of all, one must understand the nature of the so popular today concept of "crisis". In particular, there are lots of foreign and domestic literature on the subject and a large number of interpretations of the term "enterprise crisis" [2-5], which reflect the features of this condition. The most appropriate in this study though, in our opinion, is the definition of the category "crisis" by U.S. academics [6, p.5] as "events which form a threat to the company's reputation or to continuation of its operation, which generates certain effects regardless of the size of the company, its quality of management, industry or location".

Equally important is understanding of the essence of crisis management, which is extensively studied by scientists. One of these interpretations is offered by L.A. Lihonenko who define it as "special consistently organized management, aimed at the most rapid detection of a crisis and the creation of appropriate conditions for its timely overcome in order to restore the viability of the individual enterprise and to prevent its bankruptcy" [3, p. 37]. It should be noted that crisis management is focused not only on the withdrawal of the company from a state of crisis, but also in the prediction and prevention of adverse operating conditions.

Thus, based on the analysis of characteristics of crisis and crisis management we can propose our own definition of crisis marketing. In particular, the anti-crisis marketing – is a part of crisis management, which is complex and systemic in nature, is used permanently by business entities, and seeks to prevent or

eliminate adverse effects in marketing activities through maximum customer satisfaction. Crisis marketing involves the use of the full potential of modern marketing, development and implementation of a special marketing program or marketing section of a comprehensive anti-crisis program of the company, which has a strategic nature and can eliminate or prevent the difficulties of doing business, as well as maintain and improve the market position of the company. It should be noted that the maximum effectiveness of crisis marketing is possible only if there is an interaction with other areas of the company management.

Thus, the undeniable fact is that the anti-crisis marketing is a structural unit of crisis management. In particular, this relationship can be visualized using Fig.



Anti-crisis Marketing in Crisis Management System\*

\*Note: proposed by authors

Features of crisis marketing is primarily determined by the resource potential of the company, that is how the company get necessary financial, human, technical resources etc. That's why it is important to highlight the following main groups of problems in implementation of the crisis marketing concept:

- problems associated with the process of identifying a crisis or pre-crisis situation (absence or inefficiency of the company's systems of prediction, recognition, recording and analyzing adverse situation in marketing);
- information and analytical problems of crisis marketing (related to information and software, which should become the basis for decision-making and marketing anti-crisis strategy formation);
- methodological problems of implementation of anti-crisis marketing (in particular, the problems of the financial, economic, legal, social, psychological, organizational and structural nature);
- labor problems of crisis marketing (human resource management issues in terms of certain marketing strategies, behavior in uncertain conditions) and so on.

After analyzing the available resources for the implementation of the concept of crisis marketing company can conclude on the feasibility of the direction of crisis management. In particular, special

attention should be paid to the economic aspects of the feasibility of anti-crisis measures, which provides a reasonable correlation of the categories "costs – results achieved".

The basis of any anti-crisis activities of the enterprise should be clearly defined strategy that is intended to indicate a way to overcome or prevent the crisis. For the implementation of anti-crisis marketing it is also advisable to form a functional strategy that doesn't conflict with the corporate strategy, but rather complements it. Therefore, it is advisable to explore the features of the marketing strategies of crisis management. It should be noted that different researchers propose quite the same approach to their classification. Thus, analysis of the studies on classification of marketing strategies of crisis management [7–10] makes it possible to form a comprehensive classification of crisis marketing strategies (Table).

## Classification of marketing strategies in the process of crisis management\*

Classification attributes	Types of marketing strategies	Description of types of strategies
1. Crisis stage	Pre-crisis management strategy	Used to prevent crisis situations in marketing activities
	Crisis management	Used in cases of a particular crisis, which aims to reverse the effects
	strategy	of the crisis
	Post-crisis management	Used in the post-crisis period to restore normal operation of the
	strategy	business
2. The impact of	Strategy of "reduction"	Involves reducing the scale of the firm, particularly by minimizing
crisis on the		the costs
company	Strategy of "capturing	The aim is to use a crisis situation for the development of the
	the market"	company
3. The nature of	Preventive strategy	Intended to prevent and avoid a crisis situation
responses to the crisis	Adaptation strategy	Provides adaptation to crisis conditions of operation and the
		absence of action to change the state of crisis
	Protection strategy	Intensifying marketing efforts for rapid elimination of the negative
		effects of crisis
	Strategy of alternatives	Usage of non-traditional methods of overcoming the crisis through
	search	alternative activities
4. Deadlines	Short term strategy	Implemented within 1 year
	Medium-term strategy	Implemented within 1-3 years
	Long-term strategy	Implemented within a period over 3 years
5. Priority	Product strategy	Focuses on product characteristics improvement, changes in the
of the		range of goods etc.
components of	Pricing strategy	Involves the usage of various pricing methods
the marketing mix	Sales strategy	Aimed at improving of distribution channels for the product, its transportation and storage
	Communication strategy	Focused on the process of enterprise communication with consumers, i.e. the process of selling goods directly to end users
6. Market	Strategy of companies-	The strategy of the companies which do not have sufficient
behavior of the	imitators	marketing resources to implement their own activities and thus
firm		copy and imitate the marketing aspects of the leading or competing
		firms
	Strategy of medium-	Organizations successfully combine their own marketing resources
	sized companies	with the experience of successful marketing activities of leading
		firms
	Strategy of large firms	Designed to use the scale of the company to successfully implement
		unique anti-crisis marketing activities
7. The purpose	Strategy of lost positions	The implementation of anti-crisis marketing should help to gain lost
of anti-crisis	gaining	(due to adverse market situation) positions
marketing	Strategy of new market	The company doesn't try to gain its lost positions but concentrate
strategy	positions	on finding similar market segments
	Strategy of	The company simultaneously seeks ways to regain lost positions
	diversification	and to enter new markets with new product

<sup>\*</sup> Note: formed and expanded on the basis of [7–10]

It should be noted that the choice of a marketing strategy in terms of crisis management depends on countless number of factors of the external and internal environment. Therefore, the chosen strategy should be flexible and constantly reviewed, and thus improved during changes in operating conditions of the company.

It's obvious that operating conditions of modern enterprises are not favorable in many aspects. The current situation requires an adequate and prompt response of the firm to the so-called crisis signals through the use of progressive management technologies. Thus it is not surprising that crisis management is becoming more and more popular among domestic enterprises; they've started to use actively anti-crisis marketing as well.

It is important to remember that the crisis marketing is effective only if there is its interaction with other areas of the firm's activity, which is also a prerequisite of a synergistic effect. Thus, the anti-crisis marketing is designed not to only eliminate the consequences of a crisis, but also to prevent it. In this situation it is necessary to refer to the experience of the leading international companies that are constantly using crisis management even in quite favorable economic conditions. Therefore, we can confidently assert the relevance of the use of anti-crisis marketing as part of crisis management. Domestic companies that have started to improve their economic well-being, had already mastered the technique of crisis management, including crises marketing.

Conclusions and recommendations for further research. The proposed interpretation of crisis marketing provides a comprehensive study of its features in the so-called adverse business situations. We emphasize the usefulness of the postulates of crisis management, including crisis marketing, not only in crisis conditions, but also during the normal operation of businesses in order to prevent crisis situations. Comprehensive study of crisis marketing enabled us to describe its central role in the system of crisis management. To use anti-crisis marketing successfully a firm should form special conditions and follow certain rules. One of the most important tasks in the implementation of anti-crisis marketing is the development of its strategy. The classification of marketing strategies of crisis management was proposed in the article.

One of the reasonable directions for further research can be a comprehensive study of mechanisms of practical implementation of anti-crisis marketing.

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