

UDC 339.138.631.11

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## EFFECTIVE MARKETING STRATEGY AND ITS ROLE IN BUSINESS DEVELOPMENT

*The article analyses an effective marketing strategy and its place in general tactic of business development. Research describes the main theoretical aspects and scientific positions of Ukrainian and foreign scholars towards the term "marketing strategy". The author suggests her own definition of the marketing strategy as the mechanism providing the connection of the business' internal control with the realities of the environment. The basic components of the marketing strategy of the enterprise are also determined. The article describes the peculiarities of marketing strategy development and classifies them. There is a number of semantic elements inherent in this idea. It describes features that are typical for the marketing strategy of a modern business. The main tasks to be solved in the process of marketing strategy development are determined. The article also defines main questions that will help marketing specialists choosing the most suitable marketing strategy and ensure successful functioning of a company. It is proved that the marketing strategy of an enterprise is an instrument for efficient and successful work. The marketing strategy should be well defined and understandable for all that are responsible for the development and implementation of it.*

*Keywords:* business, marketing strategy, strategic plan, marketing measures, impact factors, uncertainty, volatility.

## ЕФЕКТИВНА МАРКЕТИНГОВА СТРАТЕГІЯ ТА ЇЇ РОЛЬ У БІЗНЕС-РОЗВИТКУ ПІДПРИЄМСТВА

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*У статті розглянуто питання формування ефективною маркетинговою стратегією підприємства, її місця в загальній стратегії розвитку підприємства та доведено, що ефективність маркетинговою стратегією підприємства відіграє одну з вирішальних ролей у формуванні його взаємозв'язків зі споживачами, від ефективності яких залежать обсяги реалізації, прибутки і, як результат, – фінансовий стан підприємства. Це викликано тим, що вдало вибрана і вміло реалізована маркетингова стратегія надає підприємству переваги, що проявляються у підвищенні конкурентоздатності підприємства і його продукції, зниженні чутливості споживачів до ціни, а також спрощенні доступу до фінансових, інформаційних, трудових та інших ресурсів тощо. Розглянуто основні теоретичні положення та проаналізовано наукові позиції вітчизняних та зарубіжних вчених щодо сутності поняття «маркетингова стратегія» та на підставі використання методу порівняння і аналізування відокремлено уточнене трактування досліджуваної категорії. Запропоновано авторське визначення маркетинговою стратегією підприємства, як механізму, що забезпечує зв'язок внутрішньофірмового управління на підприємстві з зовнішнім середовищем та доведено, що правильно розроблена маркетингова стратегія підприємства – це інструмент для його ефективною і результативною роботи.*

*Ключові слова:* підприємство, маркетингова стратегія, стратегічний план, маркетингові заходи, фактори впливу, невизначеність, нестабільність.

## ЭФФЕКТИВНАЯ СТРАТЕГИЯ МАРКЕТИНГА И ЕЕ РОЛЬ В РАЗВИТИИ ПРЕДПРИЯТИЯ

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*В статье рассмотрены вопросы формирования эффективной маркетинговой стратегии предприятия, ее места в общей стратегии развития предприятия, основные теоретические положения и проанализированы научные позиции отечественных и зарубежных ученых о сущности понятия «маркетинговая стратегия» и на основе использования метода сравнения и анализа отдельно уточненное трактовка исследуемой категории. Предложено авторское определение маркетинговой стратегии предприятия, как механизма, обеспечивающего связь внутрифирменного управления на предприятии с реалиями внешней среды. Показана специфика разработки маркетинговой стратегии, приведена их классификация. Изображен ряд смысловых элементов, присущих данному понятию. Выделен ряд особенностей, которые присущи маркетинговой стратегии современных предприятий и факторы, влияющие на выбор той или иной стратегии. Обоснованы основные факторы, влияющие на эффективность маркетинговой стратегии и доказано, что маркетинговая стратегия предприятия – это инструмент для эффективной и результативной работы.*

*Ключевые слова:* предприятие, маркетинговая стратегия, стратегический план, маркетинговые мероприятия, факторы влияния, неопределенность, нестабильность.

**Introduction.** The need of re-engineering of an enterprise on the basis of strategic management is caused by the external environment changes and, primarily, the growth of its uncertainty. Ignoring new circumstances that arise from the intensification of globalization processes can lead to negative consequences. Therefore, there is a need to study the role of an effective marketing strategy in the conditions of business globalization, analyzing the influence of enterprise development factors in changing both macro and microeconomic processes, competitive environment, development of marketing measures of the enterprise and their adaptation in the current unstable economic conditions. The effectiveness of the marketing strategy of the company plays a decisive role in shaping its relationship with consumers, the effectiveness of which depends on the volume of sales, profits and, as a result, the financial condition of the enterprise. This is due to the fact that well-chosen and well-executed marketing strategy gives the company the advantages that manifest themselves in increasing the competitiveness of the enterprise and its products, reducing the sensitivity of consumers to the price, as well as simplifying access to financial, information, labor and other resources, etc.

**Analysis of recent research and publications.** The objective of work of many scholars, such as G. Azoyeva, I. Ansoff, G. Bagiev, S. Borner, I. Gerchikova, A. Gradov, A. Dian, P. Zavyalov, B. Carloff, H. Kobayashi, F. Kotler, I. Kretov, D. Crombrugge, M. Mescon, N. Moiseeva, A. Porshneva, A. Romanova, H. Takeuchi, T. Fujimoto, H. Schmale, N. Yudanov, D. Aaker, K. Bowman, E. Golubkov, D. Doyle, J. Day, J. Evans, M. McDonald, R. Fathutdinov and others, is dedicated to the development of effective marketing strategies and formation of competitive marketing strategies, as well as their individual elements and aspects. Due to the fact that each enterprise on the market operates under conditions of uncertainty and risk, it is necessary to pay attention and further research the following problems, such as development of effective marketing strategies of enterprises, achieving future and actual goals, considering the influence of external and internal factors, as well as economic and social instability.

**Setting objectives.** The research objective is to study the role of an effective marketing strategy for the development of an enterprise.

**Presentation of the main research material.** There are many ways to define a marketing strategy. The most characteristics are the following:

1) marketing strategy is a system of organizational, technical and financial measures to intensify production, increase sales and competitiveness, influence demand and supply. It involves monitoring production and analyzing the market with an aim to keep prices at a level that provides optimal returns. Marketing strategy is embodied in the number of measures to improve the production and sales in order to ensure high and stable profits [1, p. 256];

2) marketing strategy is the direction (vector) of the enterprise to create its target market positions [2];

3) marketing strategy – activities used to achieve marketing goals for marketing mix [3, p. 172];

4) marketing strategy – the direction (vector) of the activities of an enterprise to create its target market position [4, p. 65];

5) marketing strategy – a set of decision-making measures [5, p. 33];

6) marketing strategy – a system of strategic administration of production and sales activities, aimed at maximizing profits [6, p. 28].

Marketing strategy is a part of the overall strategic plan of the enterprise. It reflects directions for implementing marketing measures with an aim to achieve the strategic goals set by the company, and allows to understand how to plan and apply enterprise activities and tactical tasks.

Characteristic features of a company's marketing strategy are the following: long-term orientation; consists of a number of activities with an aim to realize the marketing objectives of the enterprise; is based on the results of marketing strategic analysis; has a certain subordination in the enterprise hierarchy; determines the market orientation of the enterprise activity [7].

The marketing strategy is connected with issues that aim increasing sales and income of the enterprise. Marketing strategy, if it is developed by experienced professionals, allows learning more about the proper use of resources available to the company, and to sell products dynamically for a long time. This is the goal of marketing [8].

The marketing strategy of an enterprise is an instrument for productive and effective work. It should be clear and understandable for everyone responsible for its development and implementation.

Proper marketing strategy helps a business to succeed. Despite the fact that making a profit is the main goal of all enterprises in the market, there is no single marketing strategy which would be suitable for achieving it and, moreover, applicable to each enterprise. There are different marketing strategies that can lead to the desired goal. The diversity of marketing strategies is explained by the following factors: the competitive position of the company, its marketing objectives, finance, production, technological capabilities, and human resources. Working a marketing strategy out should be based on elements, mentioned above.

It is important to understand the importance of developing an effective marketing strategy and its key components, namely:

- The mission of a business, its purpose, and objectives;
- Formulating goals – goals depend on the capabilities of the enterprise and the competitive situation on the market;
- Defining the target audience;
- Positioning – finding an unoccupied niche in the consumer's mind, taking into account the philosophy of the brand;
- Analysing the competitive environment;
- SWOT analysis;
- Activity strategy, based on SWOT-analysis;
- Short-term and long-term goals;
- Tactical marketing plan and recommendations.

The objectives of the marketing strategy are the following: a comprehensive study of the entire market; objective estimation of demand and needs; development of marketing strategy and methods of its implementation. Thus, the strategy of marketing activity should answer the following questions:

- How does a company keep "afloat" in today's market conditions and take leading positions?
- How can an enterprise increase its market share by the most favorable terms?

The marketing strategy of a company is fixed by the special document, "Marketing policy". Depending on the market situation, peculiarities of an industry and other factors, marketing strategy can be developed for a period of 1–25 years. In the modern Ukrainian market, the development of a marketing strategy is usually worked out for the period of 1-3 years, although some enterprises are focused on a longer period of 5–10 years.

The key element of a marketing strategy is its sequence and integrity of its elements. All of the components, reflected in the strategic plan, should be consistent and not contradictory to each other. The strategic plan will be effective if all its parts and elements correspond to each other, as well as to external and internal factors. The market situation is often uncertain, and companies should either review their marketing strategy on a regular basis or accept a decline in sales and possible bankruptcy.

Most enterprises react to changes that have already taken place wrongly, introducing into their strategy some minor changes, such as a discount program in a supermarket or the creation of a new product line. This is a big mistake. Reactive changes only benefit in a short-term period. If the company wants to become a market leader, its marketing strategy has to be reviewed on a regular basis and new plans shall be developed. If the marketing strategy does not match the customer's behavior or the competitive environment has changed, the company will not be able to achieve a favorable position on the market.

There are various forms of marketing plans. It is important that the plan clearly defines the customers and explains their requests. Its tactic needs to allow the company to fulfill the tasks in the field of sales and marketing. An effective marketing strategy should ensure the achievement of five main goals:

- Offer customers what they want;
- To be special, stand out among the competitors;
- Distribute marketing activities effectively so that they do not remain unnoticed;
- Distribute the product so that customers can easily purchase it;
- Provide consumers with assistance and support to make it easier for them to buy and use the product.

Marketing strategy can be developed using several approaches:

- Porter's strategic model;
- the "General Electric" matrix;
- an approach based on the use of product matrices/markets;
- a method based on the "Boston Advisory Group" matrix;
- profit impact marketing strategy (PIMS) [9].

A marketing plan that achieves all five goals at low costs, brings revenue and success. The objectives of the marketing strategy are the following:

- market objectives (external): market share; a number of customers; sales volume in physical and monetary terms;
- production objectives (internal) are the consequences of the market objectives. They assure achieving market-oriented goals (apart from organizational resources): providing a certain amount of production, building a production cycle, developing a new technology, etc.;

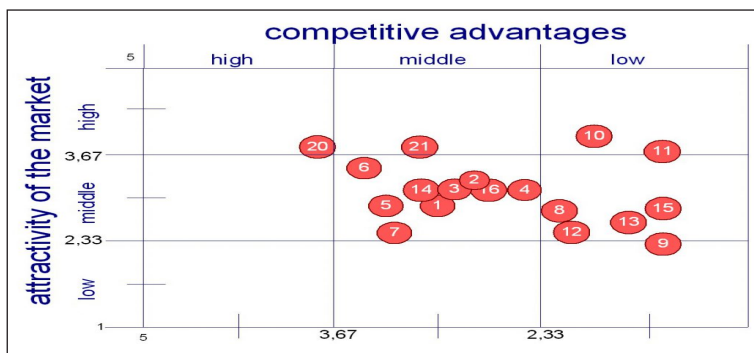


Fig. 1. A Marketing Strategy

- organizational goals regarding the structure of the enterprise, human resources, managing an organization. For example, recruitment of 3 marketers; average employees salary equal to the level of salaries of the market leading company; introduction of a new project management system, etc.;

- financial goals. They interconnect the all goals in monetary terms, such as expenses; net sales; net and gross profit; profitability of sales.

In 1980's Prof Michael Porter divided marketing strategies into basic versions. The strategy of leadership emphasizes its attention on production means: constant control of costs, labor productivity, investments and relatively low expense (especially for advertising and marketing). The strategy of differentiation aims to expand the business segment of the company. The implementation of a functional marketing strategy is based on a complex of competitive advantages and proper use of the company's capabilities in order to achieve its strategic goal [9]. Marketing strategy forms guidelines for the company's activities and takes an extremely important place in the strategic marketing management.

In the context of risks, the marketing strategy focuses on maximizing its effect and minimizing risks with a lack of high expectations. Various combinations of these two approaches can take place. For example, strategies that come under diversification contribute to minimizing risks. Those related to new products roll out expect high profits at high risk.

It is important to notice that in the condition of increasing market share, profit will not increase automatically. The market share expanding strategy of a company plays a very important role. Since the costs following the expansion can be significantly higher than the income received, the company must conduct an analysis of the marketing strategy and take into account the possibility of a conflict with the anti-monopoly legislative system. At a condition of higher risk, an increase in market share becomes less attractive. Expanding a market share is an unreasonable measure if a company does not have the ability to save on production; if there are unattractive market segments; if consumers want to use different sources of supply and face barriers as a result. The leading enterprise should aim to expand the market, rather than increase its share in it. Some leaders in the market receive the opportunity to raise their income, selectively lowering their share in weak sectors. The wrong marketing strategy will lead to expanding market share and lowering profits. The number of marketing elements, sufficiently effective in terms of the expansion of the market share, may reduce the income.

When the company sells only high-quality products with a corresponding addition to cost, large market share allows increasing profit in case of reducing costs per unit of goods. The strategy of specialization is based on the fact that the company must improve its activity in a selected segment and not aim to fully cover the market. It is preferable to be a leader in one business segment than to occupy average positions across the market. An integral part of the marketing strategy should be the intensification of advertising activities through the use of new technologies and the dissemination of information in new territories. Communicating with clients should be perfected (web pages in several languages, online counseling).

**Conclusions from the conducted research.** Thus, a marketing strategy of a company takes an extremely important place in its strategic activity. It forms strategic guidelines. The current market environment of Ukrainian economy has led to the formation of a new marketing

approach to the solution of production and sales problems. The main task of strategic marketing is to ensure the most flexible and efficient use of all kinds of resources and opportunities, marketing tools and research and production potential of the company in order to achieve strategic goals.

The significance of the process of forming a marketing strategy lies in the following:

- obtaining all the necessary information about the requirements of potential consumers, the prices they are able to pay, the territorial placement of potential customers;
- calculating various efficiency strategies of expenses for production and realization, defining possibilities of further development or changes;
- determining the vectors of further development and creating a strategic plan to realize the goals of the company.

Thus, the problem of the developing and implementation of marketing strategy is rather interesting and needs further research.

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