
Problems of Choosing and Managing the Strategy of Marketing Activities of a Business Entity

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Abstract. *The article examines the content of marketing strategy and its role in the activities of an enterprise, considers the views of various scholars on the concept of «marketing strategy» and summarizes the main features of this concept. It is determined that for a successful and stable business, the management of any company needs to use a number of strategies, one of which should be a marketing strategy. Its development requires careful analysis, sequence of actions, validity and consideration of all necessary elements. The author proves that failure to take into account something essential in the marketing strategy will inevitably lead to a decrease in the competitiveness of an enterprise. The paper emphasizes that marketing is an integral element of strategic management of an enterprise. Thanks to marketing methods and market regulation, it is possible to predict the market reaction at a certain moment, adjust the action plan and ensure the sustainability of an enterprise in a competitive environment. Marketing is one of the ways for any company to survive in today's competitive market. The market requires the company to adhere to the axioms of marketing theory and practical experience. A strategy as a long-term plan allows you to combine theory and practice to form a development perspective. A marketing strategy is an integral part of the entire strategic management of an enterprise. It is a plan of its business activity. The author emphasizes that it includes identification of the target audience, development of a unique product or service offer, selection of optimal promotion channels, establishment of pricing policy and other measures aimed at attracting customers and increasing sales. The article determines that the main task of the marketing strategy is to maintain and develop the production process, the intellectual potential of the company's employees, to improve the range and quality of goods produced, to develop new markets, to increase sales and, ultimately, to improve performance. Marketing is primarily concerned with the practical implementation of strategic goals aimed at the future, i.e. solving tactical tasks of the enterprise, which is subject to the need to consistently update strategic approaches.*

Keywords: *marketing, marketing theory, marketing strategy, strategic management, strategic marketing, marketing activities.*

JEL Classification: *D21, L10, L21, M31, M10*

1 Introduction

Ukraine is moving towards the sustainable development of a market economy, facing enormous challenges along the way. A serious problem of a long transition period has arisen, caused by both the scale and complexity of economic and other tasks and the attempt of an important part of management to solve fundamentally new problems using old methods. The backwardness of the way of thinking and activity at the level of management of business entities reduces their efficiency and competitiveness in market conditions.

The solution to these problems largely depends on how creatively and purposefully marketing is used at the management level. Marketing activity is

a treasure trove of knowledge and global experience of successful organization of an enterprise in practice.

One of the main stages of marketing management is the development of marketing strategies and plans, since marketing as a market-oriented management concept is driven by the need for a company to respond quickly to changing situations. The importance of this issue is growing as the environment in which an organization operates becomes more active and uncertain. Because of this instability, it can sometimes be assumed that strategic planning is turning into a meaningless activity, because it is difficult to predict what will happen in a year, let alone in the long term. But the

leader of a successfully functioning organization already realizes the need for a clear idea of the direction in which business activities should be developed.

A marketing strategy is a link between the organization's goals and existing problems, and a marketing plan is designed to formalize the steps to achieve the goals, taking into account the requirements and attracting all the necessary resources. There are many marketing strategies, but there is no universal scheme for their development. Each company, depending on its specifics, creates its own marketing methodology, which is a general concept for its further development.

2 The purpose of the article

The purpose of the article is to study the problems of choosing and managing the strategy of marketing activities of a business entity. Objectives of the study:

- to disclose the content of the main categories of the theory of marketing strategy formation, in particular the role of economic and marketing strategies in the development of an organization;
- to study the problems of choosing and managing the marketing strategy of a business entity.

The methodological basis of the study is fundamental research on the theory of economic and marketing strategies, as well as the methodology for developing marketing strategies and evaluating their effectiveness.

3 Content of the main categories of the theory of formation of marketing strategies at the enterprise

In Ukraine, the important role of marketing has long been a well-known truth, and this statement is relevant for businesses in all sectors of the economy. One of the most important elements of organizing marketing activities is building and implementing its strategy.

Marketing strategies can only be effectively implemented if there is a stable market. The problem with strategic marketing is that there is no proper basis for its normal functioning, namely a stable developed market system, a sufficient number of qualified specialists in this field who can act within the new management paradigm.

Marketing strategy in general is the embodiment of a set of dominant principles, specific marketing goals for a certain period and appropriate decisions on the choice of organization means, as well as on the implementation of market-oriented business activities.

Strategic marketing is a modern marketing based on a specific vision of the corporate world and its

role, on the principles of globalization, innovation, integration, market prospects and the advantages of structural research, environmental monitoring, and active use of public relations. From the target point of view, strategic marketing is aimed at aligning the interests of the company, consumers and society as a whole, harmonizing partnerships of all participants in market exchange relations and ensuring the creation of goods and services that are more valuable than those of competitors (Ilkiv A. V., 2020).

Strategic marketing is a subtle and at the same time expensive tool for predicting the future parameters of the functioning and development of complex systems. The result of the forecast should be a criterion of competitiveness: future products and innovations produced by the system, methods of organizing technical production and management.

Considering various definitions, the following features can be distinguished:

1. Marketing strategy includes a set of different marketing activities to promote goods or services.
2. Marketing strategy includes a marketing plan.
3. Marketing strategy is the most important element of strategic planning of the enterprise.
4. The concept of marketing strategy does not provide an accurate description of the measures that should be taken as part of its formation, given the constant changes in the economic situation and the scope of the enterprise.

The experience of advanced companies shows that the development and optimization of business requires significant intellectual labor and the involvement of many specialists. One of the factors in optimizing the planned work of a company is to follow the sequence of stages of the marketing planning process. Consider the main stages of marketing planning in Figure 1:

At the first stage of strategic marketing planning, a long-term vision of the enterprise in the future, its place in the economy, and even ways to achieve this new place in the production and economic life of the country are formulated on the basis of forecasts.

At the second stage, the company's mission is formed, which defines the purpose of the company and its main activities, how it positions itself, and how it sees itself in relation to other participants, especially consumers. An important aspect of this is consumer value, which is a set of properties, qualities of goods or services that are of particular importance to consumers.

The third step is to consider the current situation of the organization. This can be done by analyzing the external and internal environment, i.e. systematic

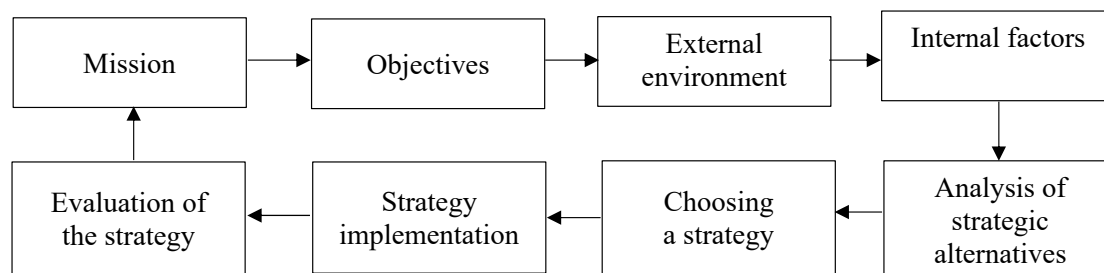


Figure 1 Strategic planning process

and continuous collection and interpretation of data on internal and external factors.

Internal and external audits are used to study the situation inside and outside the organization. Internal audit covers the organization's mission statement, resources and capabilities, past performance, business relationships, and key issues. These internal factors, individually and in combination, affect how an organization accomplishes its mission, serves its customers, and competes in the marketplace. They influence the strengths and weaknesses of the organization and help to seize opportunities and cope with threats (Babachenko L. V., 2017).

The fourth stage of strategic marketing planning involves formulating the company's goals. It is advisable to formulate the goals set by the enterprise in the process of strategic marketing planning in terms of the requirements imposed on it. The goals should be: specific, measurable, achievable, realistic, time-bound. Enterprises develop medium- and short-term goals. The goals should be interrelated and not contradict each other.

At the fifth stage, a marketing strategy is formed to achieve the goal. A marketing strategy is a direction of marketing actions related to the development of strategic standards for the competitiveness of managed objects based on forecasting needs, strategic market segmentation, positioning of goods and organizations, analysis of competition parameters in the markets of sellers and buyers, and management of competitive advantages of objects.

The basic strategy is not something that is set once and unchangeable. It should be regularly adjusted and refined depending on changes in the market and the company's performance. Within the framework of the general strategy, more specific private strategies are developed (Larina Ya. S., 2017).

Strategies cover broad areas of the company's activities and require specification in the form of marketing planning. As in the previous stage, the planning is influenced by the results of the situational

analysis, as well as specific internal and external conditions. The next stage is the implementation of the marketing plan. It is an important process, as the success of the enterprise largely depends on it. Successful implementation of the marketing plan is facilitated by compliance with the following requirements: goals and activities should be well structured, communicated to employees and understood by them; identification of those responsible for implementing the marketing plan; provision of all necessary resources.

The final stage involves control over the implementation of the plan, which includes setting certain standards for monitoring and measuring how strategic marketing planning is going, analyzing achievements and adjusting actions if the results do not meet expectations. The final results of this stage are the basis for a new cycle of the strategic marketing planning process.

Thus, strategic marketing planning is the basis on which the entire management system is based and is a key component of the company's market success.

4 Problems of choosing and managing the marketing strategy of a business entity

It should be noted that marketing strategies are dynamic and interactive, they are only partially planned and should be flexible enough to allow the enterprise to respond to unforeseen circumstances. There are systems for modeling various possible situations, such as customer lifestyle assessment, that can help marketers conduct «what-if» analyses to predict what might happen in real life and to assess how specific actions might affect variables such as revenue per customer and customer churn rates.

Strategies often identify opportunities to adjust the marketing mix of an enterprise. Organizations can use tools such as marketing mix modeling to solve certain problems (allocating limited resources to different media, as well as allocating funds and emphasis in the brand portfolio), analyze performance, customer environment,

competitors, and target market. A key aspect of the marketing strategy is the compliance of marketing actions with the company's overarching mission (Yefremov V. S., 2020).

A marketing strategy should not be confused with a marketing goal or mission. For example, the goal may be to become a leader in the market or in a certain niche; the mission may be to serve customers with honor and dignity. In contrast, the marketing strategy defines how the firm will achieve its goal and how it aligns with the mission.

The strategy varies depending on the type of market. A firm that is well established in a market is likely to implement a different strategy than a firm that is just starting out. The plans included in the strategy usually include monitoring to assess progress and contingency plans in case of problems.

Marketing strategies may vary depending on the specific situation of each business entity. In this regard, we can consider separate classifications, which include both basic or most general strategies and those distinguished by certain features and characteristics.

Basic marketing strategies.

1. Strategies focused on market dominance (depending on the share in the target market or dominance of a particular industry):

- leader;
- contender for leadership;
- follower;
- niche player.

2. Market entry strategy. When entering a market, a marketer has two important strategies to choose from: penetration or niche. The main goal is to increase the volume of sales and the number of sales.

3. Market growth strategies. At the early stage of growth, a marketing manager can choose one of two strategic alternatives: segment expansion or brand expansion.

4. Market maturity strategies. At the market maturity stage, sales growth slows down, stabilizes, and begins to decline. At the beginning of maturity, a service strategy is usually used, where the firm maintains or retains a stable marketing mix.

5. Targeted downsizing strategy. This strategy is forced. It is implemented during recessions and major shocks in the economy, which leads to serious changes in market conditions, as well as when an organization needs to regroup after prolonged growth or in connection with the need to increase efficiency. A downsizing strategy means that an organization closes or sells one or more of its divisions, branches, or subsidiaries. The goal is to save money and reduce unproductive costs by

cutting off inefficient links (Dovhan L. Ye., Karakai Yu. V., Artemenko L. P., 2019).

Thus, research shows that in practice, an enterprise mostly uses not one, but several basic strategies in relation to the main strategic areas of business.

Let's take a closer look at the concepts and strategies of early marketing.

1. «Marketing mix» by Neil Borden. With this concept, Borden wanted to systematize and characterize all the marketing tools necessary to create a marketing plan for the development of the company's product. Borden was prompted to create such a convenient tool for developing a marketing strategy by James Culliton, who compared a marketer to a «mixer of necessary ingredients».

2. The first Borden's «marketing mix» consisted of a large number of «ingredients»: pricing, branding, advertising, distribution, personal selling, promotional activities, packaging, service, product development, etc. It was only later that Jerome McCarthy combined and systematized this strategy into a universally recognized and most convenient for work «AR» complex.

3. «Differentiation and segmentation strategies» by A. Smith. A firm seeks to cover a sufficiently large number of segments with the help of goods of the same type that differ from competitors' products by something special, unique, and of interest to each selected segment, for example, improved quality, specific raw materials, special functional characteristics, original appearance (design, packaging, etc.) (Markova O. V., 2010).

Thus, the company seeks to make its offer original for each segment, which, in turn, allows it to set relatively higher prices.

4. Dean's «cream skimming and penetration strategies». Using the «cream skimming» strategy, a firm introduces a product with a high price and, after finding the least price-sensitive segment, gradually reduces the price to achieve effective demand at each price level. The penetration strategy allows the firm to capture market share by setting a low enough price for the product, but the profit margin of this strategy will be much lower than in the case of «skimming the cream».

5. Forrester's «Product Life Cycle». The product life cycle does not suggest the use of specific marketing strategies, but provides a comprehensive framework for choosing different strategic alternatives.

Let's also consider the types of corporate strategy concepts.

1. «Andrews' SWOT analysis. In the original formulation of this tool, proposed in the 1960s. C. Andrews of Harvard Business School, which

he developed to help strategists, the factors were divided into those that they can influence – internal, and those that are beyond their control – external. A strategy is considered optimal if it ensures a strategic fit between the firm's internal resources or competencies and external market forces (Shulha A. O., 2022).

2. Ansoff's «growth strategy». The most famous and least explained aspect of Ansoff's growth strategies in the marketing literature is called the product-market portfolio matrix. It is a popular tool used for strategic business planning. The tool makes it possible to choose a marketing strategy that is suitable for specific market conditions in a specific period of time.

Porter's «generic strategies» can also be used in marketing activities. In his opinion, competitive advantage is the result of the application of generic strategies, which include

- Differentiation – creating a sense of conviction in the buyer that the organization's product is superior to a similar product of competitors;
- cost leadership – by achieving low production costs, the organization can generate high profits at low prices;
- market segmentation – focusing efforts on one market segment, product, or market.

Any of these three strategies can provide a sustainable competitive advantage.

Innovation strategies can also be chosen as a variant of the marketing strategy.

Strategies of innovative solutions with indicators of the company's new product and the development of an innovative business model. The question answered by the choice of strategy is whether the company can be successful in using advanced technologies and business innovations. There are three types:

1. Pioneers (first movers).
2. Close followers.
3. Late followers (Breus S., & Kharchenko T., 2019).

Growth strategies are also of great importance in the development of further marketing activities. In such cases, the manager faces the question: «How should the company grow and develop». There are a number of different ways to answer this question, but four answers are most common:

1. Horizontal integration. As a result of horizontal growth, a firm expands to acquire other companies in the same line of business.

2. Vertical integration is one of the alternatives to the growth strategy, which is also called an offensive strategy. Vertical integration is one of the strategies that provide the company with external growth. It is also called intersectoral integration.

This strategy is most beneficial in fast-growing segments of the economy with rapidly changing technologies, when the company's products or a strategic business element are being prepared for market entry, which has not yet been mastered by the company, or a product in the product life cycle is in the development stage.

3. Diversification. This strategy involves the expansion of production output. The new type of product is not related to the main type of product, but the same labor force with certain qualifications or the same production equipment is used for its production. Related diversification is mainly used by horizontally integrated companies.

4. Intensification. Increase in the size of production through the use of more efficient means of production, more advanced forms of labor organization and technological processes that embody the latest achievements of scientific and technological progress, and better use of existing production potential.

Consequently, most firms, especially in the consumer goods market, are focused on the symbiosis of consumer, buyer and seller needs. Their marketing departments search for «growth opportunities» in their categories by identifying relevant insights into the mindsets (thinking and behavior) of target consumers, buyers and retail partners. These growth opportunities arise from changing market trends, changing market segment dynamics, as well as brand concepts or operational business objectives. Marketing specialists, using their opportunities for the company's growth, begin to develop strategies that include new or adapted products, services, and improved capabilities of the marketing complex. It should be noted that marketing managers often use intuition and experience to analyze and handle the complex and unique situations they face. This almost instinctive management is called «brute force marketing,» which has minimal effect. In contrast, the development and mastery of marketing strategies allow for a harmonious combination of all marketing tasks in a single integrated solution for the sustainable development of the entity.

5 Conclusions

In today's environment, every company is interested in effective management of its marketing activities. In particular, company management needs to know how to analyze market opportunities, select appropriate target markets, develop an effective marketing mix, and successfully manage the implementation of marketing efforts.

In Ukraine, the implementation of strategic marketing tasks is complicated by the fact that there

is very little experience in the actual application of strategic marketing, and many companies, even large ones, do not realize the need to organize a marketing department as an independent unit. Little attention is paid to strategic planning, and, as a rule, the staff has only a general idea of the organization's strategic goals. Nevertheless, the dynamic business environment persistently poses a number of challenges to managers, one of which is to increase the competitiveness of goods and services. Its solution is impossible without

analyzing the factors of the external and internal environment of the organization, competitive analysis and other important elements of the business environment.

Thus, the essence of the marketing strategy is to find instrumental solutions aimed at satisfying the needs of consumers and gaining advantages over competitors through special market activities. A competent, well-founded marketing decision will help a company survive in an unfavorable external environment.

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