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Marketing Support for Anti-crisis Management of an Agricultural Enterprise

Abstract

The purpose of the article is to study the theoretical approaches of anti-crisis management, to generalise the causes of crisis phenomena of agricultural enterprises, to determine the main components of marketing support in the anti-crisis management system to optimise the "producer-market-consumer" chain in order to avoid and overcome the crisis state of the enterprise. The *methodological* basis of the study was a synthesis of the results of applied research in economics, scientific works of domestic and foreign scientists, which highlighted the basic theories of competitive advantage, competitiveness and marketing management. *Results.* The article examines theoretical approaches to crisis management, summarises the causes of crisis phenomena in agricultural enterprises, defines the main components of marketing support in the crisis management system to avoid the vulnerability of the enterprise to crisis phenomena and eliminate their consequences. *Practical results.* The marketing support of an agricultural enterprise in the anti-crisis management system is necessary because without it the enterprise will not be able to function normally and use its resources productively and profitably. *Value/originality.* It has been established that the purpose of marketing in anti-crisis management is to ensure the process of production and sale of the most demanded goods on the market, which will bring the greatest benefit to the enterprise and ensure profitable activity. It has been proved that the concept of pre-marketing includes the use of special tools even in the condition of stable development and functioning of the enterprise.

Keywords

anti-crisis management, agricultural enterprises, anti-crisis marketing, marketing measures, marketing information, anti-crisis programme, marketing strategy

JEL: M3, M11, M31, P23



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1 Introduction

Transformation processes of the Ukrainian and world economy, instability and uncertainty of the external environment determine the needs of modern enterprises in anti-crisis management. The need for anti-crisis management arises from the dynamic development of the modern economy in order to prevent crises.

Entrepreneurial activity in a market economy is influenced by external and internal factors that determine its efficiency, profitability, solvency and

liquidity. External factors include: the economic and political situation in the country, exchange rate fluctuations, inflation, corruption, purchasing power, decline in production. Internal environment factors include: lack of innovation policy, marketing deficiencies, low qualification of the company's management specialists. Often the effect of these factors is destructive, which can lead to a general crisis in the company. This can be prevented by timely introduction of a crisis management system in enterprises, with transformation of basic management methods into an integrated

form of marketing crisis management (Bahorka, Roshchuk, 2021).

An agro-industrial enterprise is an open system, therefore it depends on and interacts with environmental factors on the one hand, and has internal potential to realise its potential on the other. The external and internal environments are closely related, as the enterprise creates internal capabilities under the influence and consideration of external factors, but at the same time the enterprise adapts to the external environment with the help of internal factors.

In a changing environment, the likelihood of a crisis increases. It should be taken into account that the conditions for the emergence of crisis phenomena can be national, regional, sectoral, state policies, as well as the size of the enterprise, the organisational and legal form of the business, the volume and structure of invested capital, market structures, and much more. The lack of effective enterprise management can provoke crisis phenomena that worsen the economic situation and lead the enterprise to bankruptcy. An effective way out of the crisis is the application of anti-crisis management in companies, which eliminates and prevents adverse events for the company, introduces measures to use external and internal reserves to restore profitability and prevent bankruptcy. In this context, the issue of marketing support in the anti-crisis management system becomes more and more relevant and deserves to be studied.

2. Essential Characteristics of Crisis Management

In order to ensure the sustainable functioning and development of agro-industrial enterprises, it is necessary to carry out analysis, forecasting and planning of their activities, which will not only ensure the formation of new development prospects, but will also make it possible to prevent a crisis situation. From the foregoing it is possible to determine the relevance and practical importance of substantiating the theoretical aspects of development and research of anti-crisis measures for agro-industrial enterprises.

Enterprises in the conditions of the market economy are constantly faced with a high degree of uncertainty of the development of events and the same unexpected influence of the external environment on them. Timely diagnosis of the causes of future crises becomes more and more important (Vatchenko, Sharanov, 2019).

Stable development of enterprises in the agricultural sector is possible under the condition of protection of the subjects of activity at all stages of their existence, and also depends on the influence of many factors. They are specific to each business entity, act systematically and increase the

negative impact on business activity. According to the factors of the crisis, there are objective (natural), caused by a change in the phases of the life cycle of the enterprise, as well as situational, determined by external and internal circumstances.

The crisis arises in the presence of a number of factors, both economic, organisational and social. The influence of factors at the macro and micro levels leads to the formation of phenomena that negatively affect the activities of economic entities. Unfortunately, the consequences of negative factors in enterprises cannot be eliminated by self-regulation, so management decisions are necessary.

In scientific studies, there is no uniform understanding of the essence of the term "anti-crisis management". Note that the systemic approach is the most popular among researchers to reveal the essence of crisis management.

Anti-crisis management is a complex system of business management and is aimed at preventing or eliminating adverse events for business, using all the potential of modern management, developing and implementing a special programme of a strategic nature, which allows "to eliminate temporary difficulties, maintain and improve the position of the company on the market under any circumstances, mainly using its own resources" (Ivchenko, Martynova, Martynov, 2021).

Anti-crisis management is defined as a system of business management of a complex and systemic nature aimed at prevention and elimination of unfavourable phenomena for the enterprise. On its basis, it is expedient to develop and implement measures of a strategic nature, which allow to eliminate temporary obstacles, maintain and expand market positions (Romazanov, Stepanenko, Tymashova, 2004). The framework of anti-crisis management, they offer to understand the system of management actions and decisions related to the possibility of achieving strategic and operational goals of the enterprise, focusing on the prevention of crisis situations, timely diagnosis and concentration on predictable events – liquidation, negative consequences, prevention of bankruptcy, creation of conditions for financial improvement to minimise losses and effective development of the economic entity under proper conditions of functioning of the environment (Koliadenko, Kavtysh, 2018).

Anti-crisis management is a special, permanently organised management aimed at identifying the signs of a crisis as early as possible and creating conditions for its rapid overcoming in order to restore the profitability of the enterprise and prevent the occurrence of bankruptcy (Lihonenko, Tarasiuk, Khilenko, 2005).

In science, anti-crisis management is understood as a set of methods, techniques and forms of management in crisis situations. Therefore, a number

of scientists believe that anti-crisis management is reduced to the use of specific methods and techniques of financial management, which allow to ensure stable functioning of the enterprise based on the management of external and internal risks to prevent and overcome the financial crisis (Tulchynskiy, Kyrychenko, Ruzhytskyi, Saloid, 2021).

Thus, anti-crisis management of an enterprise is a complex system of management actions aimed at achieving sustainable functioning of a production and trading enterprise, with the aim of predicting a crisis in current and future activities, developing and protecting against crises.

The existence of problems related to the country's economic development makes it necessary to develop a complex of anti-crisis measures related to the negative impact of an unstable environment on Ukrainian agribusiness. In addition, anti-crisis activity should be carried out continuously as a subsystem of the general functioning of agro-industrial enterprises, especially in today's conditions.

Having studied the theoretical aspects of the anti-crisis activity of agro-industrial enterprises, the main tasks of its implementation are presented:

- constant monitoring of the external and internal environment of the company;
- developing measures to reduce the external vulnerability of the company's socio-economic system;
- forecasting the prospects of the crisis in the company;
- strengthening the internal flexibility of the company's management in a crisis situation;
- development of preliminary plans for anti-crisis management methods;
- urgent initiation of practical anti-crisis measures planned in the event of a crisis situation;
- management of the process of exiting from the crisis and liquidation of losses.

The main causes of the crisis in agricultural enterprises and measures to overcome them are summarised below (Table 1).

It should be noted that the methods used by most companies to overcome the crisis are insufficient and it is necessary to develop new priority directions as soon as possible.

Anti-crisis management should be carried out in stages, with a sequence of actions.

At the first stage of work, using special methods and research techniques, it is necessary to:

- conduct a comprehensive analysis of the results of the economic and financial activity of the company, the dynamics of the main indicators of activity (volume of production, income, expenses, profit, assets and capital, as well as profitability, liquidity, turnover, financial stability of the company);
- determine the size, structure and maturity of external financial obligations;
- identify the main causes of the emergence and aggravation of the company's development crisis;
- assess the extent and possible consequences of further aggravation of the crisis and the duration of the insolvency situation;
- evaluate the company's internal capabilities for localising and overcoming crisis phenomena.

3. Marketing Support for Enterprises in Times of Crisis

Marketing support develops in the process of overcoming contradictions between external conditions and the internal capabilities of the company.

If marketing support allows to accurately assess the objective market environment and is based on its scientific analysis, does not ignore the peculiarities of production development connected with the launch of competitive products, then it can effectively influence the process of needs formation. The process of marketing support unfolds in the unity of interrelations, interdependencies of objective and subjective, external and internal.

TABLE 1 Causes of the agricultural crisis and measures for overcoming its effects

Causes of the crisis	Measures to overcome them
1. Severance of economic ties	<ul style="list-style-type: none"> - Search for new markets for raw materials; - concluding contracts on favourable terms; - improving the quality of raw materials used.
2. Reduced effective demand, increased competition	<ul style="list-style-type: none"> - Establishment of a quality management system. Implementation of a quality system based on ISO 9000 standards; - organising systematic work to create new products and improve existing ones.
3. Outdated equipment and technologies	<ul style="list-style-type: none"> - Development of a targeted technical re-equipment programme; - significant investments in technical re-equipment of the enterprise.
4. Lack of investment	<ul style="list-style-type: none"> - Development of an investment policy based on a sound strategy; - strict control over the process of forming sources of the investment portfolio and investment efficiency.

Source: compiled by the authors

The marketing support of the enterprise includes a series of operations of a commercial nature related to the movement of products from the producer's territory to the consumer's territory. At the same time, marketing elements make it possible to maintain the optimal level of financial and economic indicators in production activities. Marketing support includes a set of marketing elements, which are a kind of system for solving tasks related to searching for target markets, conducting marketing research, developing a competitive product and other elements of the marketing complex, as well as organising feedback with consumers (Bahorka, Kadyrus, Yurchenko, 2021).

The methodological foundations, main tasks and principles of marketing support are systematised by the authors in Figure 1.

The marketing process and the factors that determine it can be presented as follows.

Step 1. Marketing analysis: the selection of target consumers that the company can serve more efficiently than its competitors involves the

following stages: quantitative assessment of demand and its forecasting; market segmentation; determination of competitive advantages; selection of target segments; positioning of products in the market and analysis of the positioning of competitors' products.

Step 2. Development of a marketing strategy.

Step 3. Development of a marketing mix consisting of a set of marketing tools used to obtain the desired response from the target market.

Step 4. Develop the marketing plan required for each business, product or brand. It consists of the same elements as a general business development plan.

Step 5. Implement the marketing activities. Marketing success depends on the following factors: action plan, organisational structure, decision-making system, employee motivation, corporate culture.

The concept of preventive marketing involves the use of special tools even during the stable development and operation of the company. It is very important not only to find new customers, but

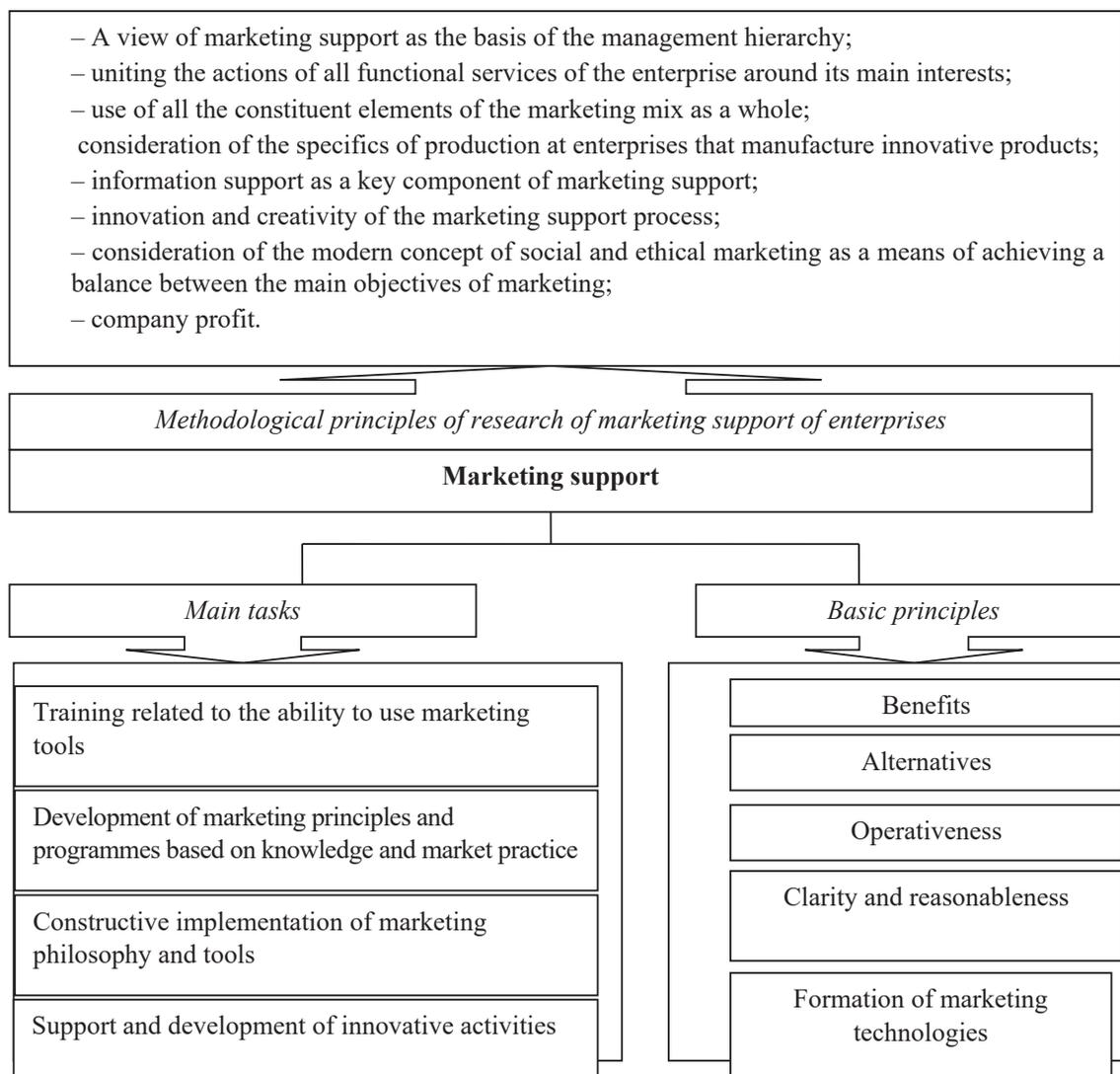


FIGURE 1 Methodological foundations, tasks and principles of marketing support

also to keep existing customers, to create a positive image of the company, to retain customers and to predict their needs and behaviour.

Preventive marketing must anticipate and create needs, not adapt to those that already exist. This requires a well-developed communication system that allows to influence and receive feedback from the consumer or the market as a whole. The tool to ensure such communication is public relations (PR).

At this stage, it is also necessary to identify the body responsible for developing and implementing anti-crisis procedures, in order to justify its authority to develop and implement the anti-crisis programme.

The economy is cyclical, the stability of the enterprise is unstable, therefore anti-crisis plans, which are developed in conditions of stable development of the enterprise and are aimed at reducing the negative impact of the crisis, are the main tool of "preventive marketing and anti-crisis management" (Kostakova, Teslenko, 2021).

It is advisable to develop an anti-crisis plan both during the crisis phase and during the stable operation of the company, when the signs of the crisis are not yet visible, but can already be predicted. In particular, various situations are modelled, possible scenarios of business development are created, so the more varied and complex the scenarios of the development of crisis processes and their impact on the financial situation of the enterprise, the more important is its further activity.

The process of developing a basic strategic marketing plan includes goal setting, strategy development (market expansion, customer retention, innovation, mergers, acquisitions, etc.), segmentation and the development of marketing complexes. Simply put, a strategic marketing plan is a concept of how product, price, promotion and distribution should work to ensure that marketing and business objectives are achieved, and the plan reflects strategic options for its development.

Therefore, the anti-crisis plan is an effective and necessary tool of preventive marketing, because it contains scenarios, instructions and alternative strategies, comprehensive checks, vulnerability assessments, specific measures to prevent and overcome the crisis, and also clearly defines the powers of each employee and serves as a basis for the company's exit from the crisis. All the above-mentioned tools of preventive marketing are based on marketing information, without which it is impossible not only for the company to operate in conditions of stable development, but also for it to function as a whole.

Marketing information is used for scientific, practical and educational activities in the field of market research. It is used to draw important

conclusions, make decisions, and create or adjust business development plans and strategies. In addition to information from a specific company, data from similar companies and industry statistics can also be taken into account. For this stage to be effective in medium-sized and especially large companies, it is advisable to develop a single method of collecting and presenting information for all departments. The analysis of the received information is carried out in order to determine the main parameters of risks characteristic for the enterprise and to highlight the main directions of risk management (homogeneous risk objects, types of risks). The result of this stage is the formation of indicators used for further application of the enterprise risk management process (Bahorka, Pysarenko, Kadyrus, Yurchenko, 2022). Like any other valuable resource, information needs to be controlled and systematised. A Marketing Information System (MIS) is a set of measures and tools for solving the tasks of coordinating the marketing strategy of the company's management. MIS consists of four main elements: internal reporting system; marketing intelligence system; marketing research system; marketing solutions delivery system.

All these preventive tools of integrated marketing make it possible to identify opportunities and potential threats, strengths and weaknesses of the company, to prepare it in advance for the application of crisis processes, to create a margin of safety and to establish a certain limit of consumer confidence.

Each company develops a market development strategy based on a concept, also called a marketing concept, or concepts of business management in market conditions (improving production, intensifying commercial efforts, social and ethical marketing, etc.).

The following concepts are implemented on the basis of a management mechanism (risk marketing), the components of which are:

- 1) marketing analysis – analysis of the marketing environment, analysis of market opportunities, market segmentation, product positioning;
- 2) marketing synthesis – definition of the marketing management objective;
- 3) strategic marketing – development of marketing strategies taking into account strategic perspectives;
- 4) operational marketing – development of a marketing-management complex and its integration into a strategic marketing-management plan;
- 5) marketing control – performance control.

It should be noted that the use of specific marketing tools in the system of anti-crisis management of trade enterprises depends on many factors, the key ones being: market situation, stage of the enterprise's life cycle and management tools used by the management apparatus.

The post-crisis period can be characterised by:

- decentralisation tendencies to speed up the appropriate response;
- increasing the flexibility of the supply chain and the overall organisational structure;
- a focus on growth strategies aimed at finding new market opportunities;
- increasing risk awareness, with a focus on rebuilding consumer confidence;
- increase the number of regulatory innovations;
- active use and implementation of innovative programmes aimed at regaining lost ground and stabilising the current situation;
- increasing consumer orientation and active development of loyalty programmes.

During the crisis, consumers will continue to try to minimise the time needed to make a purchase, exploring the benefits of virtual intelligence and new mobile applications. This is why it is so important to engage in an active information war with consumers, building trust through online and offline communication.

Post-crisis marketing continues to use crisis prevention and marketing tools and adapts them to the new market situation. Post-crisis marketing is mainly aimed at implementing measures aimed at restoring stable and sustainable activities, using innovative programmes and betting on growth and decentralisation strategies. At this stage, companies feel more comfortable actively using crisis prevention and marketing tools and adapting their own crisis plans and marketing strategies to the changing environment.

4 Conclusions

The following conclusions can be drawn from the above.

It can be argued that crises have the potential to be transformative, as the phenomenon of crisis provides an opportunity for companies to learn and mobilise efforts to overcome it. The study shows

that the business crisis is now a large-scale, unpredictable and decisive event that can have both negative consequences for economic activity and positive consequences that increase the efficiency of its activity and activate the forces of factors that support its development.

It has been established that the purpose of marketing in anti-crisis management is to ensure the process of production and sale of the most demanded goods on the market, which will bring the greatest benefit to the enterprise and ensure profitable activity. It has been proved that the concept of pre-marketing includes the use of special tools even in the condition of stable development and functioning of the enterprise. Post-crisis marketing continues to use the tools of pre-crisis and crisis marketing, adapting them to the current market situation, looking for measures to restore stability and sustainability, using innovative programmes and focusing on growth and decentralisation strategies. The tools of prevention, crisis and post-crisis marketing are generally consistent, but each has its own characteristics in terms of methods and conditions of use. In general, they all lay the foundations of strength and reliability, increase the value of the company, help managers make more effective management decisions, see the image of the future, establish long-term conditions of trust with partners, eliminate risks and reduce uncertainty.

It can be argued that the main priority of the marketing support of the anti-crisis management system is: survival, ensuring (supporting) competitiveness, satisfying the needs of customers, optimal use of one's own strengths to achieve advantages over competitors, etc., and the most important – stabilisation of the activity of all subsystems of the organisation, elimination of contradictions of microeconomic elements among themselves and with the external environment in order to restore the balance of the economic system (organisation), to restore its viability.

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