



Crisis Management on the Basis of the Marketing Approach for Development of Innovative Potential of the Organization

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ABSTRACT

This article describes the problem of efficiency of functioning of the organization in modern conditions of dynamic external environment. Modern external environment characterized by financial instability, lower incomes, economic constraints in relation to Russia, as well as constantly changing consumer preferences caused by other factors. In such circumstances, it becomes important domestic market. Close attention should be paid to the innovative capacity of organizations in the predominant direction of innovative development of the Russian economy as a whole to deal with these unstable conditions. Describes the factors the marketing environment the organization's operations and their impact on its activities. The authors propose a methodology of determining the stability of the organization based on the analysis of environmental factors. This method may be supplemented in the study and to identify other factors of importance in the organization. The authors also proposed the algorithm of marketing management organization based on the assessment of the stability of the organization at this point in time and compare it with the desired level of stability. If defined an unsustainable situation, it is necessary to take measures of administrative influence, which is based in particular on innovation management in organization in order to achieve the desired level of stability.

Keywords: Sustainability, Innovation, Management, Marketing, Innovative Economy

JEL Classifications: M19, M29, M52, M59

1. INTRODUCTION

The relationship between the participants of market relations in Russia have undergone significant changes in recent decades due to the change of the socio-economic foundations of society. In relation to the organizations that caused a change in the system and mechanisms of regulation by the state, the restructuring of funding sources, increased competition, reforms in legislation and etc. (Berndt, 2005).

In today's volatile environment organizations are under significant pressure from the environmental factors that have a negative impact on the sustainability of their operation:

- Financial instability;
- Crisis;

- Economic constraints;
- The lower incomes of population;
- Change consumer behavior.

In this regard there is a necessity of improving the system management in organizations, which is recognized as a scientific community, and society as a whole (Bobkova et al., 2015).

According to the authors, the problem of unstable functioning of the organizations can be solved by the modeling of the marketing system of crisis management. Marketing approach, as a system of studying of consumer preferences, will allow organizations to adapt to the dynamics of the external environment (Bogusonov, 2006). The basis of marketing management is the satisfaction and the formation of demand for goods and services. Active marketing

policy in these conditions is required for activation of innovation activity of companies that will allow to develop the product, as well as other competitive advantages (Bobylev et al., 2004).

2. METHODS

Organizations, as part of the socio-economic environment and all the changes affect the organization as a socio-economic system. Increased competition in various spheres of activity of the organizations is the necessity of application of marketing approach to management of development of innovative potential as a reaction to the crisis phenomena in the external environment (Bobkova et al., 2015).

Modern organization interacts with a large number of different objects, as shown in Figure 1.

Conducted by the authors in the work, the analysis of factors of external environment of the organization showed that its activity mostly has a pronounced social character. The social orientation of activity of the organizations and creates the conditions for solving a wide range of socially significant problems (Okrepilov, 2012). Consequently, it is the concept of socially responsible marketing, according to the authors, is fundamental to the activities of almost every organization today. The concept of socially responsible marketing should serve as the guide in the stimulation of innovative activity of organizations (Higher school of Economics, 2015).

Enlightened marketing philosophy states that marketing organizations must maintain optimal functioning of the whole marketing system in the long term. Enlightened marketing consists of five key provisions (Chebykina et al., 2013):

- Marketing focused on the consumer;
- Innovative marketing;
- Marketing of value;

- Marketing with the realization of the mission;
- Socio-ethical marketing.

Marketing focused on the consumer, means that the organization should consider and organize its marketing activities from the consumer’s point of view. It must subordinate their marketing activities to the full satisfaction of consumers (Bestuzhev-Lada, 2002).

Elements of this concept promoted by increasing social responsibility of organizations and are key factors in the formation of their image (Balabanov, 1999).

The principle of innovative marketing requires that the organization continually made real improvements in production and marketing.

In accordance with the marketing value, the organization must invest most of its resources into increasing the value of the importance of its products (Buyanov et al., 2003).

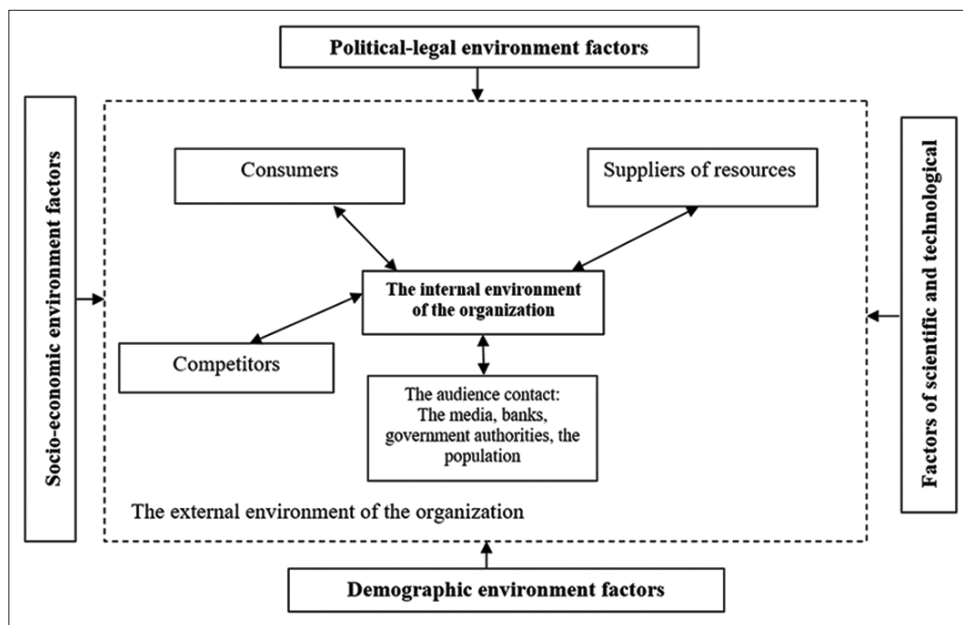
Marketing with a sense of mission means that the company should define its mission in narrow production terms, and in a broad sense, to define their purpose in society.

Socio-ethical marketing requires the adoption of solutions in the field of marketing, taking into account desires and long term interests of both consumers and society in general (Bobkova, 2014).

Enlightened marketing calls for the preservation of loyalty of consumers by continuously adding value to the products offered by this company.

Socially-oriented manufacturer strives to create products that bring not only pleasure or momentary benefit, but also think about the prospects of companies (Higher school of Economics, 2015).

Figure 1: The structure of factors of the environment of organization



Useful products do not always have high appeal, but give benefit consumers in the long run.

Questions of morality lie in the sphere of state policy. Therefore, the state should regulate the ethical aspects in marketing. The state should stand at the head of the corporate ethics policy marketing. Such a policy implies a wide range of instructions to be followed by every member of society, including organizations (Barlybaev, 2003). They cover standards, advertising, customer service, pricing, product development and General ethical standards. Promoted by the government and the corporate ethics policy marketing can be a new marketing concept – the basic concept of company management in market conditions (Rahman and Bobkova, 2016).

Marketing today is developing in the conditions of global change. Every decade, specialists in this field it is necessary to rethink the goals and methods of marketing. Due to the rapid changes in the world strategy, which yesterday was the best one that can become almost unhealthy (Shatalova et al., 2014).

Today, organizations of various spheres of activity are faced with changing values and preferences of the consumer; with stagnant economies; deterioration of the environment; increasing competition on a global scale, as well as with a number of other economic, political and social problems (Shatalova et al., 2015).

Since the organization is a full participant of market relations, the great importance is its ability of rapid adaptation to changes in the external environment (Galkina et al., 2015).

Feature of large organizations is a significant lag, to compensate for which can only be done through marketing research activities that will help to timely identify threats from the external environment and to develop measures, including innovative character, allowing to avoid or reduce the negative consequences of their occurrence within the overall goals of the organization (Burton, 2003).

Many scientists regard the environment primarily as uncontrollable element to which have to adapt, perceiving marketing environment passively and not trying to change it. For the most part the organization of small and medium businesses do not able to affect the external environment and to form a proposal in his side. However, innovation in management, marketing, new product development in accordance with changes in the external environment, in the conditions of formation of innovative Russian economy (Viner, 1983).

In the process of such interaction is changing the structure and functioning of the organization to ensure its sustainability.

Adaptation to changes in the external environment, the structuring of its elements becomes possible through the application of marketing approach in the management of the organization. The correctly chosen strategy and tactics of marketing management will lead to sustainability of the organization as a socio-economic system (Shatalova et al., 2016).

The authors analyzed the different concepts of sustainability and, based on a clearer definition of sustainability of the organization, which is the ability of stable satisfaction of needs for goods and services, execution of its mission, providing continuous social progress in terms of the disturbance of environmental factors (Vasilenko, 1995).

As shown by research, many organizations are aware of the benefits of marketing as a management system organization does not take into account its strategic and innovative nature, and only now gradually come to the need of implementation of marketing management in its activities, but while it is in the nature of tactical actions in response to perturbations of the external environment that is not conducive to the sustainability of their operation.

Thus, there is a need to analyze and develop methods of marketing management sustainable functioning of the organization, guidelines for the implementation of management actions in conditions of instability of external environment (Nelyubina et al., 2016).

Study of the influence of the external environment on the functioning of organizations has shown that a particularly important external factors affecting their stable operation are economic, demographic and socio-economic (Shatalova et al., 2014).

The analysis of the demographic environment of the organization revealed the following negative trends: The demographic crisis in Russia is not conducive to increase market share through new consumers and you have to focus on repeated purchases, a permanent decrease of the population in the Samara region, as in other regions of the Russian Federation, there is development of processes of depopulation. So, over the last years there has been a reduction in real incomes of the population (Makarov and Shuval-Sergeeva, 2016).

Changes in the economic situation in the country over the past few years have led to changes in state economic policy.

Consequently, the stability of the organization to fluctuations in the external environment can be determined on the basis of evaluation selected by the authors of the factors that reflected on the scheme of formation of stability of the organization in Figure 2.

The economic factor Y_1 is characterized by the receiving organization of funds from the sale of goods and services. The more consumers lose the organization than less committed repeated purchases, the lower its financial stability.

The demographic factor Y_2 is characterized by a decrease in the population of a region, affecting the overall consumer segment of the organization.

One of the options for sustainable functioning of the organization is its attractiveness on a number of parameters that are important for a consumer audience. In view of the adverse conditions of the external environment, organizations should pay close attention

to their attractiveness in the eyes of the consumer audience and determine the most important characteristics in consumer behavior.

To identify the parameters of the attractiveness of organizations conducted marketing research engulfed the major cities of the Samara region (Samara, Togliatti, Syzran) and the countryside. The results revealed the parameters that characterize the attractiveness of the organization in the eyes of consumers, the estimated weights of these parameters. The study showed that the fundamental are the following parameters of attractiveness (Table 1). They are the factors that shape the interests of consumers in relation to the organization.

Socio-economic factor Y_3 has a significant impact on consumer behavior of the population. The analysis of socio-economic indicators the company shows the possible directions of development of consumer preferences in choosing an organization depending on the changes of some parameters, in particular the living standards of the population in the region (wages, social benefits, etc.).

Recorded at the end of 2014, the decline in income continued increased in 2015; August was the seventh in a row and, apparently, not the last month of the decline in real disposable income. In this relatively mild decline in real incomes in January-March has accelerated since the beginning of the second quarter: Compared with the same period of 2014, in April, it declined by 4.9% and in may by 6.4%.

To the greatest extent the negative trend manifested in relation to wages. In March, the depth of the fall in real wages against the level of 2014 has exceeded 10%, and the April and may figures were only slightly better: In these months, the reduction was 9.6% and 7.3%. This is the maximum decline for the last 17 years of economic development in the period of crisis 2009 the lowest (July) measure of the dynamics of wages consistent with the decrease in real terms by 5.4% compared to the previous year (Horeva and Karpova, 2015).

3. RESULTS

On the basis of the conducted researches about the impact of the environment on sustainable functioning of the organization and identifying the dominant factors external perturbations, the authors propose a methodology for comprehensive quantitative evaluation of the sustainability of the organizations represented in the expression (1):

$$Y = Y_1 * Y_2 * Y_3 \tag{1}$$

Y - The stability of the organization;

Y_1 - The economic factor;

Y_2 - The demographic factor;

Y_3 - Socio-economic factor.

The components of the estimation can be expressed as follows.

Quantitative assessment of the economic factors that affect the stability of the organization, can be expressed as (2):

$$Y_1 = 1 - \frac{n^2}{N^2} \tag{2}$$

n - The number of consumers who the organization lost in this year, the number of people;

N - The number of consumers who added in the segment of the organization in the current year, the number of people.

The demographic factor influencing the stability of the organization, defined as:

$$Y_2 = \frac{K_1}{K_2} \tag{3}$$

K_2 - The number of potential consumers of a particular geographic unit, the number of people;

K_1 - The number of real consumers of this organization, the number of people.

Socio-economic factor affecting the stability of the organization, can be expressed as:

$$Y_3 = \frac{A_{cur}}{A_{max}} \tag{4}$$

Figure 2: The scheme of formation of stability of the organization

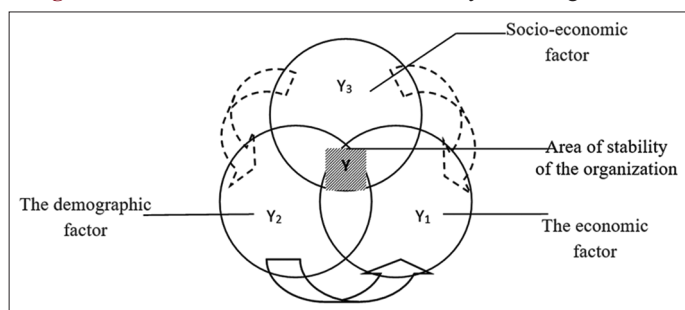


Table 1: The parameters of the attractiveness of organizations on human settlements of the Samara region

Human settlement	Quantitative assessment of the attractiveness of the parameters					The average attractiveness of organizations for human settlements
	Prestige (image) of the organization	The quality of goods (services)	Price of goods (services)	Services	The location of the organization	
Samara	14.2	10	1.08	2.2	0.1	5.5
Togliatti	8.8	2.2	7.05	4.2	0.3	4.5
Syzran	16	7.8	4	0.05	0.5	5.7
Human settlements	9.9	6.7	3.7	0.26	2.4	4.6

A_{cur} - The current value of per capita monetary income of the population in the Samara region, thousand rubles per month;

A_{max} - The maximum value of average per capita monetary incomes in Russia, thousand rubles per month.

In order to ensure sustainable functioning of the organization in terms of fluctuations in the external environment in the work of the algorithm a continuous, sequential activities for solving problems of the organization through the development of marketing management decisions (Figure 3).

Process of marketing management starts with the setting of management objectives. Goal setting is one of the important actions of the subject of management. Goal reflects the result, the achievement of which should be targeted marketing activities. After goal setting provides diagnosis and analysis of the current desired state of the control object. Assessment of the sustainability of the organization allows to quantify the mismatch between the

present and the predicted situation and its causes. Assessment of sustainability should be compared with the optimal level of sustainability (Y_{op}). As a base comparison can be taken a measure of the stability of the leading organization in the industry in the region.

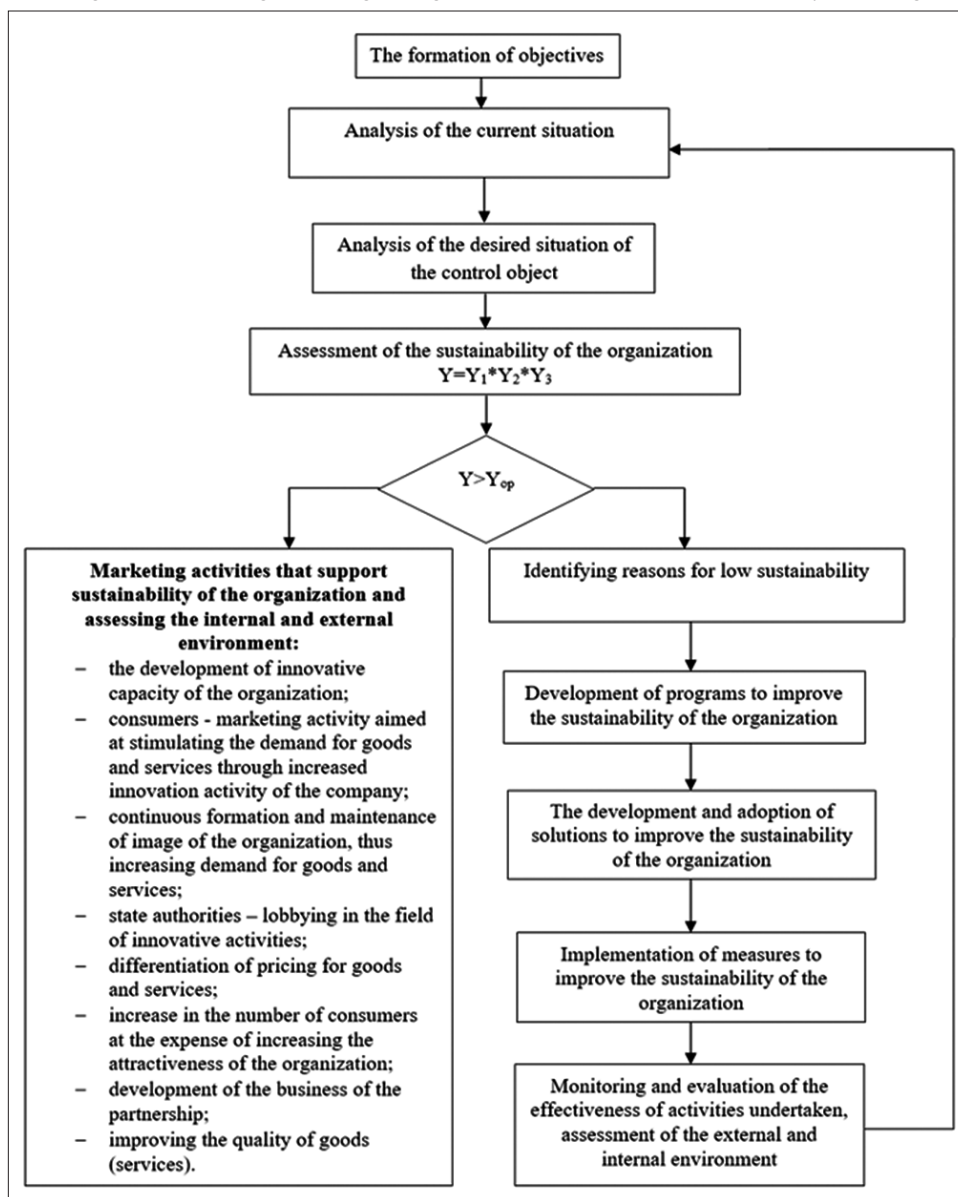
After analyzing the program of action to address discrepancies between the current and desired state of the control object, which reflects the ways of their implementation.

In the case of unsatisfactory level of stability it is necessary to identify its causes and developing programs to improve it.

4. CONCLUSION

The result of the implementation of marketing activities aimed at maintaining the current level of resistance, and its increase, is the structuring of the internal environment and organization of interaction with the external environment.

Figure 3: Algorithm of making marketing management decisions to ensure sustainability of the organization



Presented in the algorithm of marketing activities will allow to preserve the stability of the functioning of the organization in conditions not favorable conditions current external environment and to simulate the process of sustainability management for future periods.

Thus, the developed and substantiated methodological regulations of evaluation of the sustainability of the organization; the proposed method a comprehensive quantitative assessment of sustainability; developed the algorithm of making managerial decisions to ensure the stability, which is mainly the innovation activity of the organization.

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