

UDC 339.138

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STRATEGIC MARKETING MANAGEMENT: ESSENCE AND PECULIARITIES

***Summary.** The emergence of strategic marketing was the result of the evolution of the marketing concept. The article is devoted to the analysis of the essence and peculiarities of strategic marketing of companies in the framework of market management. The essence of the «strategic marketing» concept on the basis of scientific approaches analysis concerning its content by foreign and local authors is revealed in this paper. The existing definitions reflect different scientists' vision of its role and content in the modern organization. Most conceptual approaches used a simplified way of interpreting strategic marketing, equating it with the formation of a marketing strategy. The main differences between strategic marketing and marketing strategy were identified. An epistemological analysis of the authors' interpretations of the essence of the definition of "strategic marketing" has allowed identifying the main essential characteristics of it: long-term orientation; dynamic external and internal*

environment; competitive market; mutual partnership between all market participants; adaptability and flexibility to changing market conditions; marketing strategy is the basis for planning activities. The author's definition of the «strategic marketing» term takes into account: the strategic marketing and strategic management dependence; the role in competitive advantages formation; reaching marketing and financial goals of the organization. Strategic marketing consists of a set of actionable and evaluated phases that together ultimately contributes to the performance of the company: planning, implementation and evaluation phase. The article highlights the variety of methods and tools of strategic marketing management to achieve the goal of each stage successfully. The article discusses the role of strategic marketing as the dominant element responsible for the profitability of the organization.

Key words: *strategic marketing, strategic management system, competitiveness, marketing strategy process, market research.*

Statement of the problem. In the minds of the majority of economic subjects marketing has existed for a long time as a set of tools which is aimed to promote products or services in the market. Such instruments as advertising, public relationships, sales promotion and others undoubtedly play a huge role in the marketing activities. They allow enterprises to conduct developed communication programme to meet existing needs and reach potential customers. However, bringing to the market high-quality products requires a more complex and purposeful usage of marketing theory in practice. Many organizations have a need in regular monitoring of company operations to identify opportunities and options for action to achieve marketing goals and get higher profits. Strategic marketing management helps to solve these problems. The implementation of its approaches determines for the enterprise the main directions of activity on the highly competitive market to achieve its strategic objectives.

Analysis of recent researches and publications. Many foreign researchers have studied the essence and content of the concept of "strategic marketing" – Jean-Jacques Lambin [6], Philip Kotler [5], David W. Cravens.[2], Peter R. Dickson [9], Henry Assael [1], Peter Doyle [3] and others.

Among Ukrainian experts, the problems of strategic marketing have been studied by N. Kalugina [4], O. Nikolaychuk [8], I. Mendela [7], L.M. Shulgin, S. Andreeva, L. Balabanova, M. Belyavtseva, A. Voychak and others.

Despite numerous publications, there is no consensus in the scientific literature on the essence and content of the concept under study, which causes differences in its understanding and led to the choice of the topic of our research.

The task of the research is to analyse scientific approaches to defining the essence of the concept of "strategic marketing", define main essential characteristics of it and describe the marketing strategy process with focus on its tools for each stage.

The main material. The concept of "strategic marketing" emerged in the 80-90s of the last century at the intersection of marketing and management of organization. This concept was described by famous marketing experts Philip Kotler and Jean-Jacques Lambin.

The analysis of scientific literature has shown the existence of many different approaches to the interpretation of the definition of "strategic marketing" among both foreign and local authors (tabl. 1).

Table 1

Approaches to the definition of the category "strategic marketing"

Author	Definition	Analysis of the definition
Jean-Jacques Lambin [6]	A process implemented by a market-oriented company to achieve performance ahead of the market average through a systematic policy of producing products and services of higher value to the consumer than competitors.	Relying on competitive advantage, but addressing only the product aspect.
Philip Kotler [5]	A two-way process, the initial stage of which is strategic marketing. In accordance with his statements, the	Does not include the stages of determining the purpose of the

	essence of strategic marketing is the formula "segmentation-targeting-positioning".	organization and conducting marketing research.
David W. Cravens.[2]	A process of developing a strategy that takes into account changing factors of the external environment and is aimed at increasing the degree of customer satisfaction and improving the effectiveness of the company as a whole (not just to increase sales).	It takes into account the influence of the external environment, customer satisfaction, and covers the activities of the company as a whole.
Peter R. Dickson [6]	A focused actions of a corporation to find a sustainable advantage over competitors by meeting the needs of consumers.	The strategic concept of marketing is to meet the needs of consumers.
Henry Assael [1]	A concept, according to which the basis of marketing planning is the identification of marketing opportunities, emphasizing the role of marketing in the development of new products, and focus on long-term planning direction of growth of the organization.	The strategic concept of marketing is to meet the needs of consumers and at the same time to maintain an advantage over competitors to ensure long-term profitability. This concept combines customer orientation and competition.
Peter Doyle [3]	A process of selection target market segments and hypothetical consumers to achieve a differentiated advantage.	Rational, logically proven mechanism of actions for solving marketing problems
N. Kalugina [4]	A model of development of an enterprise, which is operating in the market and containing a set of tools for achieving goals.	The author successfully emphasizes the dynamism of the marketing strategy, which depends on market conditions and should be adjusted to achieve marketing goals.
O. Nikolaychuk [9]	A long-term oriented model of marketing activity, which contains a set of marketing tools that are constantly adjusted under the influence of changes in the external and internal environments, allow to achieve the set marketing goals and contribute to the formation of competitive advantages.	A long-term orientation emphasizes the predictive nature of the marketing strategy and the possibility of its adaptation depending on market changes.
I. Mendela [7]	A type of marketing activity (or a direction of scientific research) aimed at determining the adequate marketing strategy of the enterprise.	The main goal of strategic marketing is to formulate an adequate marketing strategy.

Source: developed by the author

A number of researchers put in the definition of strategic marketing directly to the process of forming a marketing strategy, which is a simplified approach. Therefore, it is important to distinguish strategic marketing and marketing

strategy. Marketing strategy can be defined as an integrated decision-making model of an organization that determines its key actions regarding products or services, markets, marketing activities. All these processes directly impact on product creation, communication and delivery. As a result, a company offers value to customers and achieves specific strategic goals. When it comes to strategic marketing, it means a comprehensive process in an organization that defines its key decisions regarding company-level actions, customer-level actions, and market-level actions that help the organization create value for its customers and stakeholders over the long term. The category "strategic marketing" is broader than the "marketing strategy". The formulation of strategy is also a part or element of strategic marketing. In the process of strategic marketing, it combines several elements derived from the analysis of the company's external and internal environment.

Based on a critical analysis of the scientific literature, it has been established that the main essential characteristics of a strategic marketing are:

- long-term orientation;
- goal orientation to balance, harmonize the interests of the organization, consumers and society as a whole;
- mutual partnership between all market participants;
- applying the results of the analysis of dynamic environmental conditions to improve adaptation to them;
- obligatory commitment with the marketing strategy;
- a system of strategic management of the organization with a market orientation;
- focusing on the analysis of customer needs and the competitiveness of the organization.

Considering the identified essential characteristics of the strategic marketing and based on the generalization of existing interpretations, the author's definition can be offered. Thus, a strategic marketing is a dominant subsystem of

strategic management, which performs the functions of the realization of competitive advantages and, ultimately, leads to the achieving the set marketing goals and growth of profitability of the organization. Marketing strategy process consists of a set of actionable steps which seeks to establish a clear direction and unique purpose for all marketing activities and contribute the performance. When a company realizes the need to set up a strategic marketing management process, it follows a certain sequence of actions (Fig. 1).

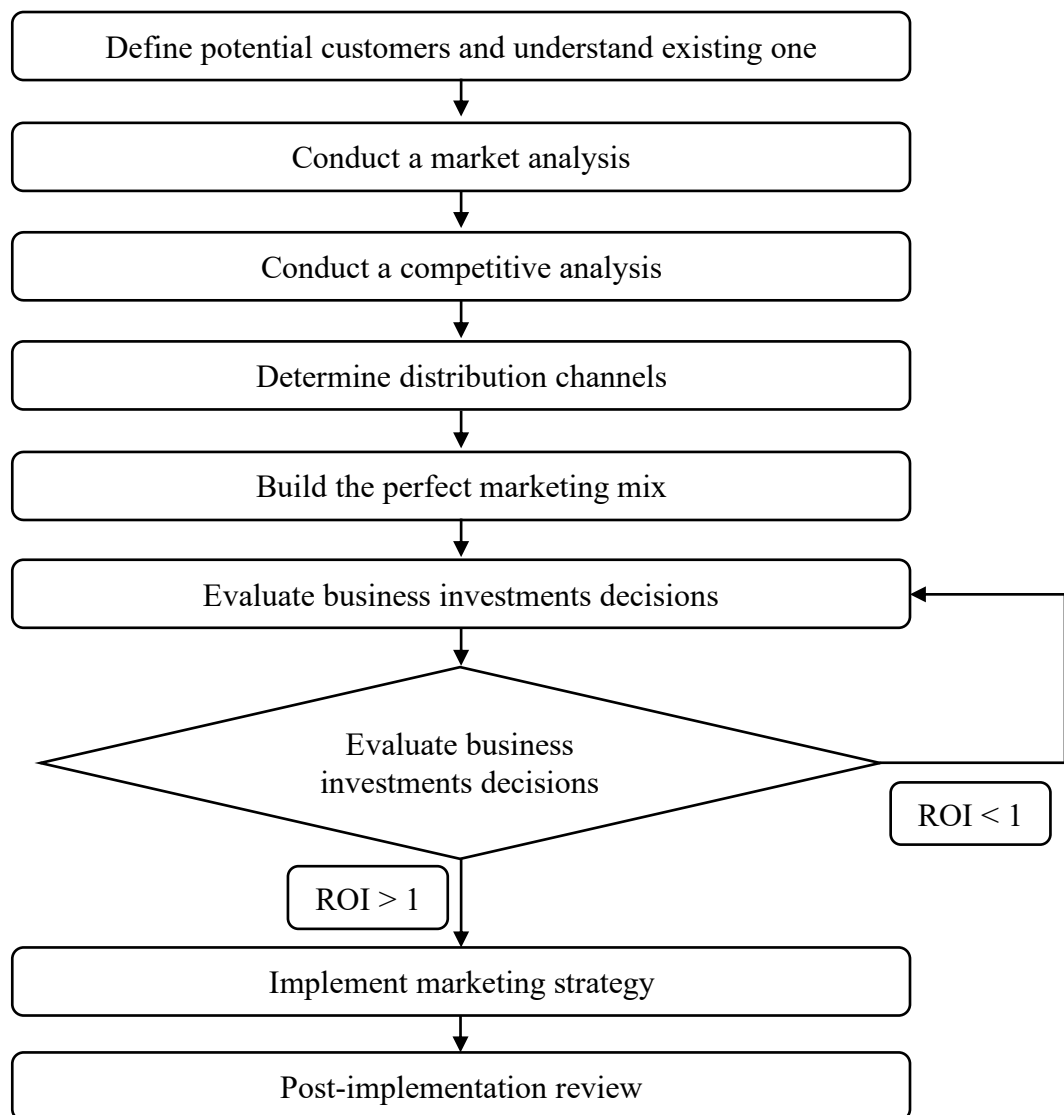


Fig. 1. Marketing strategy process

Source: developed by the author

It starts from the planning phase. Firstly, the company should develop a clear picture of the target audience. This step guarantees the company profit,

success and development. When you know exactly your consumer, his priorities, values, interests and habits, you will be clear with assortment policy, communication channels, pricing. You can start from comparative product analysis and identify its strengths and weaknesses, understand it in details. The most popular analysis methods are KJ method (Affinity Diagram), SWOT analysis, PESTLE analysis, Competitive Product Analysis. To obtain the necessary information for this stage, you can use various resources. For example, product reviews, industry reports, company websites, social media platforms, online forums. A particularly effective tool is to conduct a consumer survey that allows to find out what attracts them to your product, why they buy it, why they prefer it to other manufacturers.

Secondly, the company should analyze market to consider all factors, conditions and trends that affect market changes and growth. It is possible to use open market survey data and local or international analytical database. Most companies turn to such resources as Statista, Passport Euromonitor, Mintel GNPD, Nielsen. There are a lot of agencies in Ukraine which can conduct market research on request. For example, Taylor Nelson Sofres Ukraine, Gradus Research, M.V. Group, Ipsos, Pro-consulting and others. Furthermore, internal research by company also plays a great role. The traditional methods of the market research are index method, interviews, questionnaires, Delphi method, synectics method, brainstorming, experiment, observation. The modern ones are benchmarking, matrix methods of Porter or Thomson-Strickland, PEST-analysis, SNW-analysis. Ways and methods of marketing research are chosen depending on the purpose and scope of the study, as well as depend on the organizational and financial capabilities of the company.

Then it is necessary to analyze competition and what other choices your target customers have to solve their need. It is a type of management analysis aimed at strategic research of the competitive environment and studying the practice of competition in the market in order to ensure advantages over

opponents. To determine the conditions of competition and its intensity in the industry the following methods should be used: Porter's Five Forces model, Herfindahl-Hirschman Index, Rosenbluth Index and market concentration index. Then you should identify main and secondary competitors using cluster analysis, maps of strategic groups of competitors, discriminant analysis. After that in-depth analysis of priority competitors' activities is needed. It allows to find out the goals and intentions of competitors, dynamics of their changes, study techniques of implementing their product policy and pricing strategy, analyze distribution channels. This step requires using Porter's Four Corners Model or build a competitive matrix (e. g., "market share - growth rate of the share").

Previous stages allow setting strategic marketing goals.

All information and data which were obtained at the previous stages should be properly processed and interpreted to research distribution. You should understand what is the best way to deliver your product or service to the target audience. It has a direct impact on the sales strategy of the company. The main decision on the distribution channel is the strategy of market coverage. It could be intensive distribution, selective (selective) distribution or exclusive distribution on the rights of exclusivity.

The pre-final stage of the planning phase is the development of the marketing mix to follow the price, place, product and promotion strategies associated with the brand. The final marketing strategy has an impact on the completion of each component in the mix. The 4 P's theory was described by McCarthy in the 60s of the 20th century. The initial approach has become one of the fundamental theoretical frameworks in the marketing sphere and later researchers expanded this concept (Fig. 2). The perfect marketing mix allows company to properly plan marketing activities and manage them. As a result, the complex application of marketing tools provides an opportunity to increase the value of the product for consumers and get a long-term stable profit.

The final stage of the planning phase is the financial analysis. You need put your marketing budget and pre-evaluate projected marketing financial indicators. Marketing ROI allows you to evaluate the effectiveness of different marketing strategies in terms of the effectiveness of the resources used to achieve these sales volumes. If this indicator is more than 1, you can implement developed marketing strategy. Otherwise, it should be revised and finalized again.

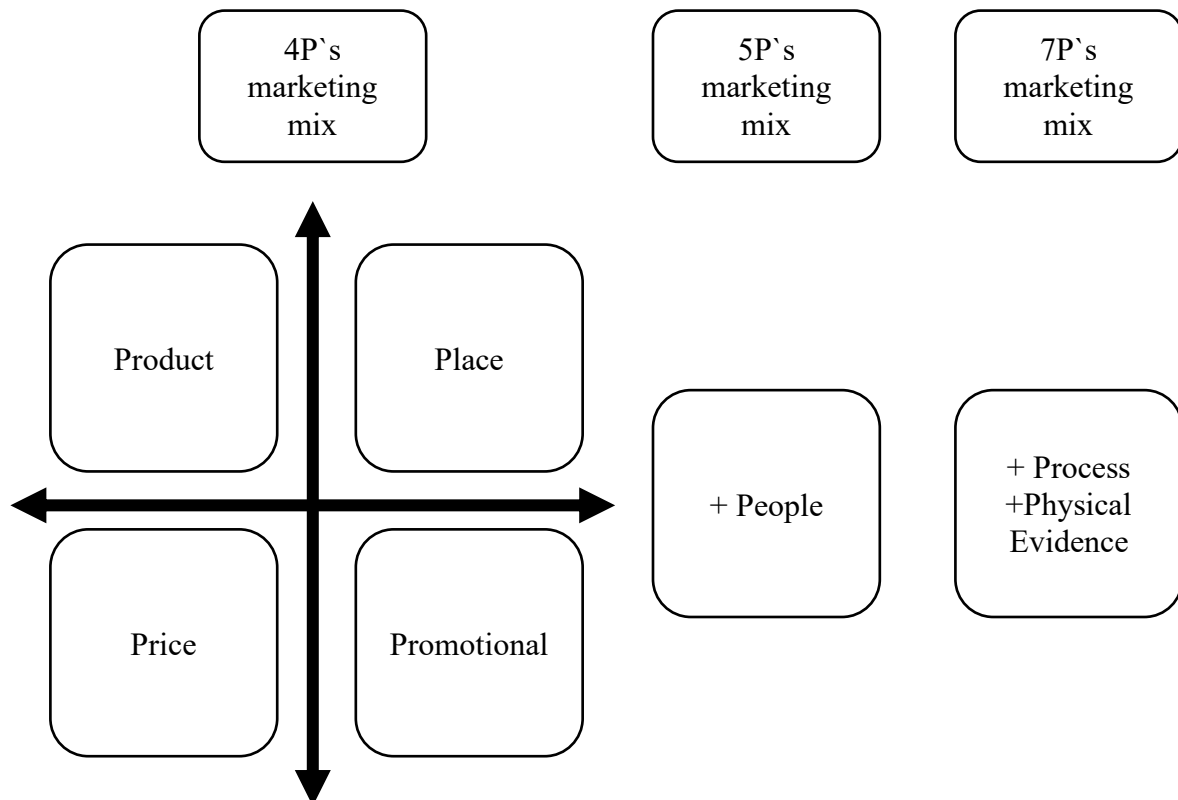


Fig. 2. Marketing mix and its evolution

Source: developed by the authors

Implementation phase lets you turn a marketing strategy into a set of processes. Successful implementation of the marketing strategy contributes to the following requirements: well-structured goals and activities which are perceived by employees; identification responsible people; availability of all necessary resources.

The final evaluation phase consists of monitoring and measuring how strategic marketing activities occurs, analyzing achievements, and adjusting

actions if results do not meet expectations. The continuous evaluation of the marketing strategy effectiveness allows you to revise or extend it as needed.

Conclusions. Nowadays, strategic marketing managements plays an essential role for adapting to dynamic market conditions. The value of strategic marketing for the enterprise lies in the fact that it focuses on the key long-term factors of its success, concentrating its efforts on the long-term orientations. We strongly believe that putting marketing management process into practice will show a high performance for the company.

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