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МАРКЕТИНГОВІ РИЗИКИ: СУТНІСТЬ І МІСЦЕ У СТРУКТУРІ РИЗИК-ПРОФІЛЮ УКРАЇНСЬКИХ ПІДПРИЄМСТВ

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Рокрито сутність маркетингу та ризиків, які пов'язані із маркетинговою сферою діяльності підприємств, показана необхідність виділення їх зовнішніх та внутрішніх форм. Дано практично орієнтоване визначення маркетингових ризиків. На основі результатів дослідження практики ризик-менеджменту в діяльності малих та середніх підприємств м. Києва у 2005–2012 рр. показано місце маркетингових ризиків у структурі ризик-профілю.

Ключові слова: маркетингові ризики, підприємницькі ризики, малі та середні підприємства, маркетинг, ризик-менеджмент.

MARKETING RISKS: ESSENCE AND PLACE IN STRUCTURE OF UKRAINIAN ENTERPRISES RISK-PROFILE

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Paper reveals the essence of marketing and risks in this sphere of business activity. External and internal forms of the marketing risks are discussed. Practically oriented formulation of marketing risks is given. The place of marketing risks in the structure of the enterprise risk profile which is calculated on the basis of results of research of risk management practice in activities of small and medium scale enterprises of Kiev (2005 – 2012) is shown.

Key words: marketing risks, entrepreneurial risks, small and medium scale enterprises, marketing, risk management.

Problem formulation. Sharp growth of variability of factors of the external business environment significantly influencing efficiency of management decisions, concerning strategic and tactical activities of the company is inherent in modern business. Problems connected with instability of conditions of business in Ukraine which signifies its increased riskiness, test on themselves both the domestic and foreign enterprises.

Risks in a marketing field of activity of the companies arise on all phases of economic cycle. One of the most menacing are the factors of risks connected with the extremely changeable political and legal environment which negatively affects company activities in general, and their marketing programs in particular. Within a phase of economic growth of 2000 – 2007 Ukrainian and foreign companies repeatedly faced export bans of agricultural products (2003, 2006). In 2005 preferential customs and tax modes of business activity in the territory of special (free) economic zones (FEZ) was cancelled, and at the same time specific guarantees of stability of such modes, provided by the Ukrainian government to subjects of FEZ were also cancelled. During the economic downturn, caused by world financial and economic crisis of 2008 – 2009, macroeconomic factors of the marketing risks emergence were on the first place, linked with the fall of purchase power of the population, which not only strong affected the implementation of marketing programs in banking sector, but even resulted bankruptcy of a number of the Ukrainian banks and the terminations of activities of a number of banks with foreign equity. Postcrisis recovery of the Ukrainian economy of 2010 – 2012 was as well accompanied by strengthening of riskiness of business. Let's note, for example, that introduction of the tax code in action in 2011 considerably weakened business

position in relations with the state tax authority in case of conflict situations, concerning determination of the size of the tax liabilities. In 2013 the Ukrainian economy is in a condition of recession that press to the government to search of the additional springs of resources to finance budget spending. In particular, in June 2013 operations of the international payment system Webmoney, which was widely used by the Ukrainian small business as the channel of receipt of money from consumers, was blocked. In 2013, difficult situation of the Ukrainian economy forced the central government to impose the actual prohibition on independence of local government concerning usage of local budgets. As result, that is directly influenced marketing programs of various businesses in construction, repair and other spheres which are delivered their goods and service to local communities.

Especially keen the problem of risk management in the marketing sphere faces the small and medium scale enterprises. Poor development of the Ukrainian SMEs is substantially connected with their extremely high riskiness. For full use of potential of small and medium business their owners and employees shall use modern approaches to business risk management, including management of marketing risks.

Research of conditions of entrepreneurial risks management of Ukrainian enterprises shows that only insignificant part of the SME uses risk management in the activities. At best it is about usage of some separate elements of risk management, instead of usage of risk management application as one of the businesses' cornerstones.

Mastering effective methods of marketing risks management by Ukrainian enterprises not only will strengthen their competitive positions, but also will promote ensuring flexibility and stability of national economy and attraction of additional resources for the fulfillment of the modernization project of the Ukrainian economy. Reduction of riskiness of activities of Ukrainian enterprises will allow them to more intensively enter the international markets with innovative products that will positively affect strengthening of the international competitiveness of Ukraine as whole.

Article objectives. The purpose of article consists of, first, of clarification of the essence of the concept «marketing risks» and, secondly, of the analysis of place of marketing risks in structure of the Ukrainian enterprises risk profile.

Analysis of current research outputs and publications. The modern economic theory considers the various facets of risk to which works of Jacqueline Jeynes, Crouhy Michel, Galai Dan, Robert Mark, Michael Frenkel, Ulrich Hommel, Markus Rudolf, Thomas L. Barton, William G. Shenkir, Paul L.Walker, Alquier A., Tignol M., Henschel T., Islam M., Tedford J., Haemmerle E., Hubbard D. are devoted. Scientists from the Post-Soviet countries also actively develop the questions concerning a risk management at the level of the separate enterprises. Works by Balabanov I. T., Vitlinsky B.B., Vyatkin V. N., Vyatkin I., Gamza V.A., Goldstein G. Ya., Granaturov V. M., Guts A.N., Ekaterinoslavsky Yu.Yu., Kaminsky A.B., Lukyanova V. V., Makarevich L.M., Nakonechny S.I., Hokhlova N. V., Chernova G.V., Sharapova O. D. consider the essence of entrepreneurial risk, risk management methods, mathematical models of risk management, and so forth. However, there is no clear understanding of risks themselves in general and marketing risks in particular and place which they represent in the structure of risk profile of Ukrainian enterprises.

Presentation of main materials. Marketing risks: theoretical aspect. Marketing as management theory of the firm and as the method of business managing results from a contradiction aggravation between interests of owners of the entities, material base which allows to issue almost any number of goods, and the consumer interests, solvent demand of which is limited. The above-mentioned contradiction reached its edge in the first quarter of the 20th century. If before that type of the market relations was characterized as the free market where the producer is guided by the unknown consumer, with certain state elements (i.e. vertical) regulations, from the first quarter of the 20th century the image cardinally changes and objective basis of the controlled market were pledged. In any modern market economy economic interests of sellers and consumers don't match. Such situation objectively follows from their opposite situation in a chain production-exchange-consumption.

Economic interests of sellers which can be both producers and intermediaries are caused by their property rights. They consist of maximization of income from use of the property for their functioning period in the market. They are objectively interested in such amounts and sales prices of goods and services, which gives the chance to maximize cash input for the purpose to provide ability for further business operations and for some profit. Consumers, on the contrary, try to minimize costs and to obtain maximum satisfaction of their needs for spent money.

Coordination of consumer and buyers economic interests minimizes the sphere of their disagreements and promotes their realization. It is the objective mechanism which is represented at any market environment which operates on conditions of availability of the mechanism of free competition, commodity-money balance and availability of market infrastructure. General determination of the market fixes attention on consumer and sellers economic interests, but does not specify the mechanism of coordination and implementation. The last is determined by market type. As it was stated above, from this point of view we offer to differentiate two types of the market which distinguish by mechanism of coordination and implementation of interests of market participations. The first – the free market, the producer in which is guided by the unknown consumer. The second – the free market in which the producer is guided by the revealed consumer, or it still can be defined as horizontally controlled market.

Objective condition of existence of the first type of market is excess of aggregate commodity demand over the aggregate supply. The last grows out of limited production capabilities of financially – technical base of production. After the production process consumers and producers enter relations concerning purchase and sale of goods and in a case when it occurs, both coordination of interests and their complete or partial implementation are also present. Efficiency level of a market system is determined by extent of economic interests implementation of market subjects. In these conditions a marketer (seller) is interested in profit maximization and, if it is possible, in large volumes of production and in application of achievements of scientific and technical progress. Internal management decisions are directed on that. External management business efforts are aimed generally at minimization of time of the act of purchase and sale by use of advertizing and system of sales methods. Demand amounts in these conditions are determined by production opportunities. Coordination interests of marketer and consumers occurs on basis of limited size market information.

Enhancement of material base of marketers, takes place in the first quarter of the 20th century, has led to change between the aggregate demand and supply for the benefit of last. As a result, contradictions between unrestricted opportunities of productive forces and relative limitation of demand of consumers has been aggravated. External form of manifestation of this contradiction became universal during the overproduction crisis of 1929-1930. Such condition of market system objectively requires emergence of the new mechanism of coordination of economic interests of market subjects, thus there is a controlled market which is oriented to the revealed consumer.

The phase of coordination of interests of market subjects and their implementation is broken off in time. Market subjects enter the relations among themselves at a stage preceding to a production process, and after it. At first stage the potential producer enters the relations with the potential consumer for the purpose of coordination of economic interests by determining and studying them. The act of purchase, sale and final implementation of interests occurs at a stage located after a production process. So, objectively during evolution of the market relations there is practice and marketing theory. Under this circumstances firm can not determine level of demand and characteristics of goods which are produced proceeding from the production capacities. Business output must be proceeded from the market demand. So, we can state that the controlled market in which the producer is guided by the revealed consumer, means that this market is a horizon-type regulated market. Thus, emergence of marketing marks the transition from the free market to the regulated.

In modern economic literature there are numerous determinations of an essence of marketing. So, in one of the most popular textbooks marketing is considered as «social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others» [1, p. 22]. From the point of view of practical use the offered determination of marketing is too wide, which opens philosophy of this phenomenon instead of the specific mechanism

of a marketing activity. In this determination the following aspects do not reveal: object of management; what are the basic principles of acceptance of management decisions; subjects of the marketing relations. In numerous determinations of marketing the emphasis is placed on requirements of satisfaction of consumers or simply members of society. According to the American Marketing Association (AMA) Board of Directors, marketing “is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” [2]. In the textbook «Knowthis: Marketing basis» its author Paul Krist gives the following determination: «Marketing consists of strategy and tactics which are used for identification, creation and maintenance of satisfaction the relations with consumers which lead to receipt of value as the consumer, and the producer» [3]. The Russian scientists P. S. Zavyalov and V. S. Demidov suggest to adhere to such determination: «Marketing is such type of market activities in case of which the producer uses systematic approach and programmatically – a target method of the problem resolution, and the market, its nature of reaction and requirements are the basic criteria of efficiency of activities» [4]. Business professionals tend to give much more shorter definitions. For example, Mark Burgess – Managing Partner of *Blue Focus Marketing* view it as “the process by which a firm profitably translates customer needs into revenue” [5].

Also, there is no clearness in these determinations in terms of clarification of essence of marketing as a theory and sphere of economic activity. Marketing is reduced to a complex of actions in the field of researches of trade and sales activities of the entity that considerably narrows a marketing coverage at a stage, which precedes to a production process and which is the main reason of its origin. The main function of marketing, from our point of view, is study of process of coordination of interests of market subjects before a production process, and trade and sales activities, respectively.

However, from the determination of the market follows that it is the mechanism of coordination and implementation of interests of two equal market subjects. Therefore, it is necessary to consider as a requirement, and respectively, economic interests, for not only producers, but also consumers. And only on this basis determination of marketing and management of this process may seem probably adequate. From our standpoint it is necessary to talk about economic interests of subjects of the marketing relations, instead of their needs. The matter is that economic interests reflect the last and therefore characterize activities of economic actors of the market more adequately.

From our point of view in the stated above determinations of marketing there is no coherence of marketing with an objective essence of a market mechanism. We offer marketing determination, which would leave understanding of an essence of the market, which would open the main lines of this phenomenon and could be a basis of the practical organization and management of these processes. From the point of view of practical use we offer the following determination of an essence of marketing. Marketing is both a theory and management practice concerning development of organization’s product and market strategy, its goals and methods of its achievement, which is grounded on the basis of research of the external marketing environment factors and is directed at realization of economic interests of producers and consumers.

The analysis of the points of view of domestic and foreign specialists witnesses about the existing discrepancy of their views of marketing risks it is possible to break them into three groups. The first group is provided by authors who consider marketing risks from a line item of risks of the specific investment project, actually identifying them with commercial or sales risks of its implementation. For example, «the marketing risk is a risk of short-reception of profit as a result of decrease in amount of goods or the goods price» [6]. Another scientist researching problems of investment management adheres to this point of view [7, p 210].

The second group of ideas of marketing risks is created by specialists who are going in for rural economics. They recognize that «marketing is that part of business which turns production results of business activities to financial ones” [8]. According to this point of view, «any activities or an event which can lead to fluctuations and unpredictability of the prices both of farmer products, and on production factors which they use» belong to marketing risks [9]. Thus, marketing risks are identified with risks of fluctuation of market prices.

At last, there is the third group of authors which views on marketing risks are caused by the fact that in one way or another they connect themselves with a marketing function of the enterprise: «Marketing risks arise in process of goods selling, as a result of action of many factors caused by a situation in the market, a state of affairs in the firm, and also mistakes in marketing planning, in the organization and implementation of marketing efforts» [10]. There are also attempts to consider risk management in relation to specific components of a marketing activity, – for example carrying out marketing researches [11].

Let's name few of the most widespread risk definitions which are present at the Ukrainian economic literature:

1. «Risk is an event or group of the related accidental events, causing damage to the object possessing this risk» [12, page 54]. (**Risk = event**).

2. «The risk is possibility of not approach of any expected events, possibility of a deviation of any sizes from some (expected) values» [13, page 11]. (**Risk = possibility**).

3. «The economic risk is both an objective and subjective category in business activities, connected with the uncertainty and conflictness overcoming in a situation of an inevitable choice. It reflects deviation degree from the purposes, from desirable (expected) result, extent of failure (losses), taking into consideration influence of managed and uncontrollable factors» [14, page 9]. (**Risk = deviation**).

4. «The risk is the activities connected with overcoming of uncertainty of situations of inevitable choice in the course of which there is a quantitative and qualitative opportunity to estimate probability of achievement of expected result, failure and a deviation from the purpose» [15, page 7]. (**Risk = activities**)

So as we see, scientists who research risks, put the different facets of this phenomenon into the forefront in determination of their essence – an event, its opportunity, deviations from the purposes, actually activities. Certainly, such variety of approaches, caused by complexity of category of risk, significantly complicate development of practical aspects of risk management in activities of entrepreneurs.

We consider as the most practical approach which is fixed in the risk management standard, prepared by common efforts of the British Association of insurance and risk managers (AIRMIC), Institute of a risk management (IRM) and Association of risk managers of regional authorities. In this document practices of the International Standards Organization (ISO/IEC Guide 73 Risk Management) are also considered. According to AIRMIC determination, risk is «a combination of probability of an event and its consequences» [16].

Taking in the account this and other points of view we can offer the following definition of risk. Risk can be characterized as a combination of three elements: an event, its probability and its consequences.

Accordingly, economic risk is a combination:

- 1) the event connected with activities of the enterprise and which influences it,
- 2) probabilities of this event and
- 3) its consequences excluding achievements of the planned targets and finally affect the business income.

What is the risk management? From our point of view risk management is a management of the organization as a whole or its separate divisions taking risk factors (i.e. the accidental events influencing the organization) into account on basis of special procedure of their detection and assessment, choice and use of methods of neutralization of these events, exchange of information about risks and control of results of application of these methods. It relies on positions of the International Standardization Organization (ISO) and a number of the international professional risk management trade organizations [17].

Respectively, marketing risks are a set of risks in a marketing field of company activity, consisting in difficulty or impossibility of goal achievement and accomplishment of marketing plan tasks which is a result of any possible events. Practical oriented template of marketing risk can be formulated as follow: risk of failure to achieve a specific marketing objective due to a possible event. For example: risk of achievement less, than the planned 50 percent share of awareness of the target consumer market with AAA goods due to possible reduction of amounts of an advertizing budget.

Management of marketing risks is a marketing operations management, taking into account risk factors (i.e. the accidental events influencing it) on the basis of special procedure of their detection and an assessment, as well as choice and use of methods of neutralization of these events, exchange of information on risks and control of results application of these methods for the purpose of complete implementation of a marketing plan.

Each of the stages of a marketing activity, and also within each component of a marketing mix have targets which achievement affects of these or those risks. It is reasonable to divide risks on external and internal, and then in each of these categories to reveal and estimate risks by types, i.e. on a source (factor) of their generating. The company can face, for example, external and internal risks of marketing research. Example of external objective risk – risk of high dynamics of factors of environment (before the end of marketing research project factors will change and results of research will reflect a true situation). Example of internal risks – risk of low qualification of marketing specialists-researchers; risk of insufficiency of resources for carrying out marketing research; time risk, i.e. tightening of time of research.

It is necessary to differentiate marketing risks for internal divisions of the companies and for the independent, specialized marketing companies. For the all risks are by all means connected with their core business – with marketing. Therefore all of them at first act as marketing risks. But at the same time in this marketing company there are marketing risks connected with marketing of its consulting activities, that studies consumers, competitors, a choice of marketing strategy etc.

Risk profile of Ukrainian enterprises: place of marketing risks. Center of economic research (scientific-research unit of the Faculty of Economics of Taras Shevchenko national university of Kyiv) have been analyzed risk management activities of the Kiev’s SME during 2005 – 2012 period. Risks were researched within the following spheres of economy, – industry, construction, services, transport, trade (2005, 202 respondents), industry, construction, services, trade (2007, 152 respondents), industry, construction, trade (2008-09, 81 respondents), and also at the public units at the sphere of housing and communal services, trade, construction, health care (2012, 25 respondents).

Results of researches revealed 3 groups of risks which structure remains stable, though definitely hesitates depending on the current economic situation (tab. 1). At a stage of economic growth (2005 and 2007) the most influential (appendix of ranks of frequency and threat) are the 4 following types of risks: financial, sales, personnel and risks of suppliers. The second group includes operational, strategic and marketing risks. The last 3rd group of the least menacing risks consists from foreign trade, innovative and information risks.

In 2008-2009, at times of economic crisis, the structure of the most menacing group of risks changed, – operation risks entered in it instead of personnel risks. And in the second group the first place took the strategic risks, and the consequence of the foreign trade risks grew, what, in our opinion, directly witnesses that the top-management had understood the need to adjust strategy of their activities in connection with action of an economic crisis. The third group also has changed – it included marketing risks instead of foreign trade risks. At a stage of post-crisis economic revival (2012) the risk profile is similar to a stage of economic growth.

Table 1

Risks ranging: Kyiv enterprises (2005 – 2012)

Types of risks	Rank of influence of risks (frequency rank * threat rank)			
	2005	2007	2008-2009	2012
1. Strategic risks	6-7	7	5	8
2. Operational risks	5	5	4	5
3. Financial risks	1	2-3	1	1
4. Sales risks	2	2-3	2	2
5. Marketing risks	6-7	6	7-8	6
6. Personnel risks	3	4	6	4
7. Foreign trade risks	8	8	7-8	10
8. Innovative risks	9	9-10	10	9
9. IT risks	10	9-10	9	7
10. Suppliers risks	4	1	3	3

Source: own study

We can state, that irrespective of a stage of economic cycle, marketing risks steadily take rather low places (6-8) in the structure of risk-profile of the Ukrainian enterprises. Such situation witnesses, in our opinion, that the marketing sphere in activities of the Ukrainian business is underdeveloped, and the majority of small and medium scale enterprises has no definite marketing targets and consequently, can not determine risks in these sphere.

Conclusions and perspectives for further research. Conducted research of theoretical and practical questions of marketing risk management allows to express the following conclusions. First, extremely high variability of factors of the marketing environment which is caused by both universal globalization processes and peculiar features of the Ukrainian transitive economy in which processes of redistribution of postcommunist property yet are not finished, leads to strengthening role of marketing risks of domestic enterprises. Secondly, lack of a clear understanding of what marketing risks themselves and methods of control over them exist represent, did not permit to develop a practical management technique, which became a cause that negatively affected efficiency of business activity. At third, the formula of marketing risk offered in the article relies on a three-component structure of its essence (an event, its probability and its consequences), is capable to provide the applied tool for its use in the conditions of real business to entrepreneurs. Fourthly, it is shown that small and medium scale enterprises of the city of Kyiv don't pay corresponding attention to marketing risks, placing them after financial, commercial, supplying, personnel and production levels of risk importance.

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