УПРАВЛІННЯ ПІДПРИЄМСТВОМ

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IDENTIFICATION OF THE MASS MEDIA COMPANY MARKET COMPETITIVE POSITION USING METHODOLOGICAL APPROACHES OF THE PORTFOLIO ANALYSIS

Urgency of the research. *Further growth and competitiveness of the economy as a whole and any given enterprise of the post-industrial era depends on the level of information space development. Attention to the issues of Mass Media Companies profitability should be given because of their importance for the process of preserving country and maintaining European way of life.*

Target setting*. The article highlights methodological approaches toward service portfolio optimization in the area of Mass media based on the TV channels of Ukraine.*

Actual scientific researches and issues analysis*. Contemporary way of the competitive potential management was researched by many scientists. O. S. Vikhanskiy, K. A. Zuyev, Y. P. Golubkov were among them. It is essential to study numerous papers, scientific works, textbooks and educational methods of economist-scientists O. I. Garafonova, L. O. Ligonenko, A. Y. Shershnyova to find the latest ways and priorities of the strategic management approaches in volatile and crises environment of the Ukrainian business. Their works also concern the problems of service portfolio management.*

Uninvestigated parts of general matters defining. *Adequate marketing products policy is the fundamental basis which supports business profitability. Long term market functioning requires prompt response to competitor's actions, permanent research of the own competitiveness, timely actions on threats and opportunities and reliable policy to realize its operational potential. Mass media companies trade on two volatile markets which doubles all the requirements above.*

The research objective. *Based on service portfolio balancing methods, article goal is to choose an appropriate approach towards investigation of the market positions of Ukrainian TV channels with the main purpose to felicitate a long-term rise in earnings and consequent growth of competitiveness.*

The statement of basic materials. *Article reveals economic incentives of the deliberate approaches to the development of the service portfolio for the Television Companies of Ukraine. It delivers elaborated chart of the TV channels Competitive Strategies based on weekly broadcaster's audience cover (as a Market share) and viewership differentiation which is consequently adopted to the view of classic Boston Consulting Group model of the portfolio of services optimization matrix. Article point out the vital importance to reach a break-even point by Media Companies with further perspective to ensure profitability*

Conclusions. *TV channels are grouped into BCG matrix according to basic essential indications- market share and niche differentiation.*

Keywords: *TV mass media; product and service portfolio; competitiveness; viewership audience; media market; share, rate.*

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Д. В. Чікірісов, аспірант

ВПРОВАДЖЕННЯ МЕТОДИЧНИХ ПІДХОДІВ ПОРТФЕЛЬНОГО АНАЛІЗУ ДЛЯ ОЦІНКИ КОНКУРЕНТНОЇ ПОЗИЦІЇ ПІДПРИЄМСТВА - ЗАСОБУ МАСОВОЇ КОМУНІКАЦІЇ

Актуальність теми дослідження*. Постіндустріальна економіка базується на переважній ролі інформаційного простору в якості чинника забезпечення розвитку та конкурентоспроможності економіки і бізнесу зокрема. Досягнення прибутковості підприємств галузі Мас Медіа становить першочергове завдання на шляху збереження країни і втілення європейської якості життя.*

Постановка проблеми. *Стаття висвітлює підходи до збалансування портфеля послуг підприємств галузі мас медіа на прикладі Телеканалів України.*

Аналіз останніх досліджень і публікацій. *Природу виникнення та сучасні концепції розвитку конкурентного потенціалу досліджували багато вчених. Серед них О. С. Віханський, К. А. Зуєв, Є. П. Голубков. Для розуміння структурних аспектів управління стратегічною складовою підприємства в кризових реаліях української економіки безцінними є наукові роботи, монографії та методологічні вказівки вчених-економістів О. І. Гарафонової, Л. О. Лігоненко та З. Є. Шершньової, що охоплюють питання формування збалансованого портфеля послуг підприємств.*

Виділення недосліджених частин загальної проблеми. *Підвищення прибутковості бізнесу ґрунтується на досконалій товарній політиці фірми. Для забезпечення довготривалого існування на ринку необхідно своєчасно вивчати власний конкурентний статус, реалізувати потенціал розвитку та досліджувати дії конкурентів. Специфіка Мас медіа в тому, що компанії функціонують одночасно на двох ринках, кожний з яких характеризується високою волатильністю.*

Постановка завдання. *Керуючись методами балансування портфеля послуг, обрати доцільний для вивчення ринкових позицій українських телеканалів з головною метою сприяння довгостроковому росту доходів і відповідно підвищення конкурентоспроможності*

Викладення основного матеріалу. *Рукопис розкриває економічні мотиви зваженого підходу до побудови портфелю послуг медійних підприємств України на прикладі ТВ ЗМК. Розроблена карта стратегічних позицій на основі типових стратегій конкуренції підприємств за параметрами оптимізації охоплення аудиторії (доля ринку) та диференціації глядачів, яка в підсумку приведена до класичної матриці збалансування портфелю продуктів БКГ. Підкреслена важливість досягнення підприємством ЗМК точки беззбитковості.*

Висновки. *Телеканали згрупували в полі матриці БКГ по двох суттєвих параметрах- доля ринку та нішова диференціація.*

Ключові слова: *ТВ засоби масової комунікації; портфель продуктів та послуг; конкурентний статус; глядацька аудиторія; медіа ринок; охоплення; рейтинг.*

Urgency of the research. A developing trend of the Postindustrial society is the establishment of the fact that the media area took over the industrial component of the socio-economic relations which played a prominent role during the last century. In controversy to highly recognized importance of the productive cooperation of the century gone, nowadays, the hierarchy of the social values is governed by the personal identity inspired by the overall hyper information environment. Meanwhile countries of the capitalist camp experienced industrial heyday on the turn of the 18th century and that time moved to the post industrialism era, socialism epigones entered the postindustrial era only a century later. Mass Communication Medias began to have a pernicious impact on young society and eventually personal self-identification of the citizen has nearly been substituted with their influence. Political analyst Yuri Shemshuchenko puts the phenomenon of the information on par with two other substances which form the world were human beings live –the matter and the energy.

Target setting. Following a painful influence of the three-year recession, three-fold hryvna devaluation and one-third as much investments in 2016 as it were in the year 2015 which have incurred our enterprises, social aspect of the Mass media evolutionary influence on shaping the society appeared to be the substantial theme of the economic study. Deep economic shock was not caused by the structural downturn of the economic cycle, but the reason lied in societal attitude towards own country perspectives and public vision of their own development. Another aspect is the lack of personal self-identification and a wide range of socio-political implications that should have been nursed during all years of independence by the conscious and reliable postindustrial age information policy instead of the disruptive populism of the certain influential circles. Market economy provides for the circumstances under which balanced information policy may be brought to life by the profitable Mass Media only, financed by its operational activity. It could be the outcome of the effective product portfolio management, which was the pivotal for the advantageous competitive business position and implementation of the internal capacity growth factors reinforced by the external opportunities of the dynamic environment.

Actual scientific researches and issues analysis. Contemporary way of the competitive potential management was researched by many scholars. O. S. Vikhanskiy, K. A. Zuyev, Y. P. Golubkov were among them. It is essential to study the works of economist-scientists O. I. Garafonova, L. O. Ligonenko, A. Y. Shershnyova to find the latest ways and priorities of the strategic management approaches in volatile and crises environment of the Ukrainian business. Analysing latest studies, one can conclude that key components of the successful competitive strategy development are the amounted intellectual expertise and business intangible assets. Industrial production Conglomaretes are among those which are dependant on the attained intellectual property. Literally advantageous position depends on the level of accumulated experience, developed know how, achieved reputation and team skills, which is the fundament to build competitiveness. It is widely accepted that the tangible assets might be efficiently outsourced in controversy to the intellectual property, strategic views, brand capitalization and generic strategy experience which should be brought up in-house.

Uninvestigated parts of general matters defining. For centuries multiple disciplines focused their attention on the nature of leadership over the rival. Phenomenon has been studied by marketologists, managers, entrepreneurs, geostrategists etc. Military aspect of gaining advantage has been deeply investigated by the ancient Chinese stratagems and afterword by the classic age economists who focuses their views on the way to provide for the competitive advantage and ensure average market profitability. But there is still room for answers. Along with the target of balancing product portfolio and increasing its consumer value, the key goal is to find own way to overcome similar producers and win market advantage. Whether due to economy of scale in case of comparatively large market share or assortment depth and specialization with further focusing on the narrow market niche. It may happen that the key skills study or brand value perception lead to the product differentiation. The primary task for all approaches is to optimize product portfolio in the way to obtain synergy effect which would ensure that the resulted takeaway of the production substantially outperforms a mere arithmetic sum of the resources at the input.

Target Setting. Ukrainian media market comprises over 40 thousand printed medias, 60 TV channels and 40 radio stations which compete for the limited advertising budget and auditorium. During the independence years, media companies grew to the big holdings, managing a product portfolio which comprises dozens of businesses. Article illustrates competitive positions of the Ukrainian TV companies and provides the reader with the theoretic data knowledge which helps to determine occupied market niches within the framework of the most popular product portfolio management matrix of the Boston Consulting Group. Model is located in four different spaces which features products and services according to various parameters. Key point of the analyses is to reach a breakeven point by the consequent increased competitiveness and unleashed internal opportunities business potential optimizing its current viable market services.

Main Material. Main features of the current Mass Media development stage are dense market participant concentration, environment volatility including legislative instability and accelerating changes in consumer preferences. Naturally, that competitiveness grew to aggressive level and leads to the different types of monopolization including competition on price. Other basic prerequisites are those: there are more than 30 000 printed medias registered out of which 4 300 are in circulation with the 60% share of papers and 40 that of magazines. Electron media resources comprise 34 national radios and over 60 Tv Channels. According on the recent estimates of the PanUkrainian Ad Coalition [3] media advertising market constitutes only 10.2 bln, UAH, with TV share exceeding half of all budgets. Thus, the other medias compete for the amount of UAH 5 bln (or about USD 170 based on the official exchange rate quoted by the National Bank of Ukraine). Researching Mas Media profitability issues, it is necessary to consider the essentials of the advertising market functioning. Professor A. A. Chichanovskiy [2] determined electron and printed Mass Media as those, including Newspapers, Journals other periodicals, as well as books, information agencies, movies, TV, Radio, and other electron services as well as companies which deals with this services and all the technologies they apply, data storage and spread. At the beginning of the last century sociologist Daniel Bell inquired into the matter of the phenomenon of “Information”. Scientist outlined “intellectual stratus” as one of the fundamental for the development of capitalism and paid attention to the importance of knowledge and information as the elements of the overall culture in the coming era. Examining government challenges in the objective to reach economic growth, scholar Igor Melyukhin [1] emphasized the “need for the information environment development providing for Mass Media demonopolisation, halting concentration of the large stakes of ownership under control of a single entity and presumed for competitiveness surge as a key premise to obtain profitability of all kinds of Mass Media”.

Determining functioning features of the mass media companies Robert Piccard outlined dual nature of their business processes: from one side it is struggle for the viewership rating. And from the other is indirect sales of the calculated rating or in other words time which a viewer spent and the characteristic of that viewer or reader or listener to the advertiser. If to consider such market features as a stable demand, rapid pace of the area innovations and low entry barriers it is evident that all of which boost competition among market participants and require elaboration of new approaches to tackle competitive position and to revise it every coming operation cycle. Blurred lines of the strategic business zone of each company are mutually reinforced with the volatile consumer preferences and hardly anticipated way of changes in the environmental elements, which are the follows:

-Enterprises which operate in a single strategic zone are of comparably equal size and ability to compete and their number is changing;

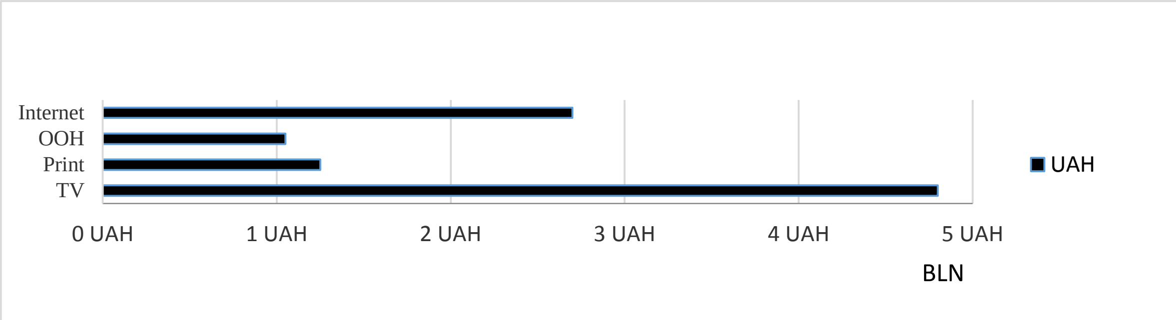
- Demand is stable from both consumers: viewers as well as advertising buyers.

Video contents renewal requires high investments and encounter impediments. Among recent which made TV companies to search for new procurement partners was a legislative prohibition to broadcast Russian propaganda. For the time being, TV channels aired only 30percent of the in-house product;

-media consumption changes drastically. At the same time, advertisers take into account only instant television viewing, FM radio listening and printed media reading. Postponed and internet viewing are beyond advertiser’s measurements;

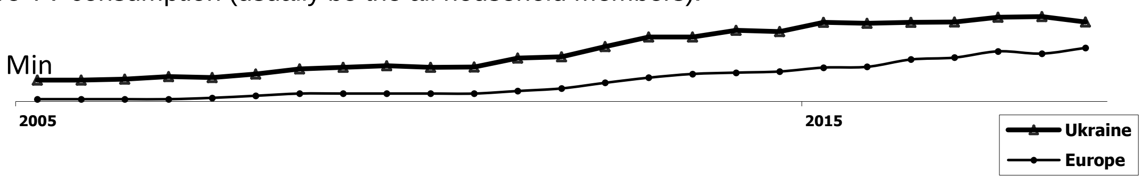
- law entry barriers and easy move to the substitutes. Tendency has been supported by the compulsory introduction of the digital broadcasting in 2017 year (according to the Government resolution dated of 26/11/2008, On Digital Broadcasting Implementation);

-Spreading differentiation in viewer's demand who requires high-quality costly TV contents which often exceed budget limits. As picture 1 illustrates, the advertising media market size amounts to UAH 10,2 bln (out of which TV is responsible for the largest share) (Pic. 1).



Pic. 1. Estimates of the Ukrainian Advertising market volume, Bln UAH

Television importance is underpinned by the extremely stable consumption of the audio visual contents by the Ukrainian citizens (Pic. 2). This tendency appears to be reasonable due to highly segmented viewership programs which suit all consumer's tastes and because of the convenience of collective TV consumption (usually be the all household members).



Pic. 2. Dynamic of the TV viewing in Ukraine as compared to other European countries

Increased customer requirements to the aggregated consumer value of the TV contents turn broadcaster's attention towards quality of its product portfolio which should be reviewed in order to support business competitiveness which implies for strengthening market positions, economic stability and strategic development as well as investment attractiveness. Planning and review procedure should last during all product lifecycle starting from the point when the idea of new item is born and phased out with the end of manufacturing. Moreover, if company adhere to the system of market oriented business, it should engage representatives of all levels to investigate qualitative and quantitative structure of the product portfolio, consumer communication building and product manufacturing layout planning.

Further stages of the service portfolio research are supported by the following assumptions:

1) Most organizations represent a wide range of services to the market leaning to the diversification, differentiation and product cost cut or mix all these approached;

2) Each service may be of different importance as for the segmented consumers and for the business profitability;

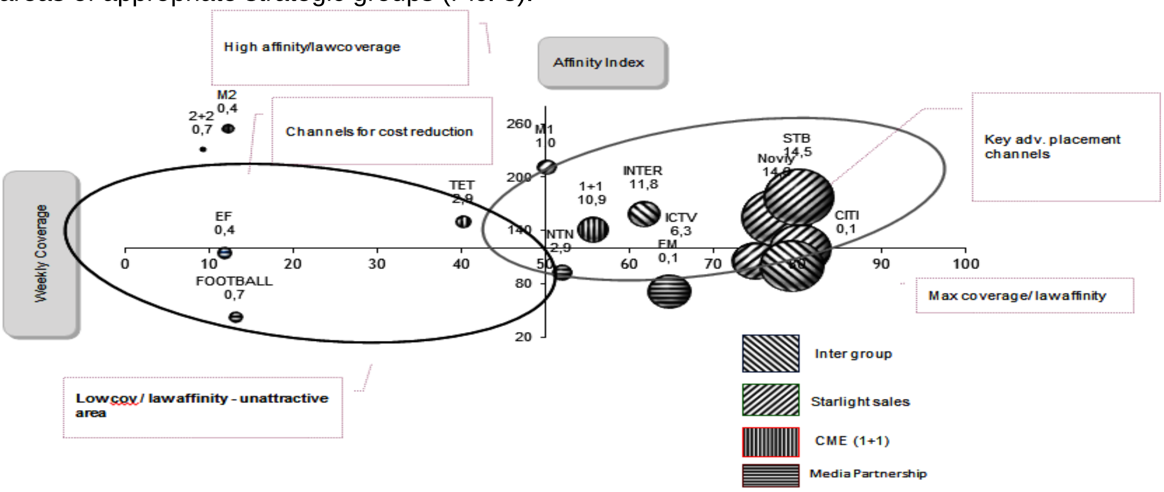
3) Even similar services may be rendered at their own unique market niches;

4) Company success may depend on the whole range of services some of which are the most important for the consumer and provides for the uninterrupted operations and appropriate financing.

Strategic efforts for the portfolio changes should be commenced with an analysis of the overall market position and assessment of the environment to choose an appropriate product policy to meet resource limit requirements and long term goals achievement (methods of AWOT, PEST, Porter life cycle, Experience curve etc.). These stage decisions are intended to join different areas of the work process with the final product quality. Moving through the service portfolio analysis company management together with all level expert representatives and using benchmark analysis and Industry KPI identify most profitable and critical for the business survival areas and distribute resources among them. Loss making products should be cut or completely eliminated. Actually, product portfolio management as a management in the whole can be described as an art which is purposed to optimize and distribute material and information flows in the way to achieve targets. That is why the ultimate decision is the subject of personal management's expertise and its views although instrumental methods proved their efficiency.

The main model which remains relevant from the turn of the last century is the matrix, developed by Boston consulting group. It is simple to understand, easy to visualize and it is based on relatively open data which are used for its construction. These are the reasons which made it an effective instrument to balance company product portfolio. As its developer Bruce Henderson argued, to build the matrix one should use two indications which are important for any company striving to gain success. Those are market growth rate and achieved market share. Common purpose of all company product service balancing matrixes is to group all kinds of products and services according to some chosen principal and locate them in the appropriate areas. Products are differentiated according to the investment-distribution and market attractiveness. These are two prerequisites which provide for the long term and medium term perspectives of the company development and form the basis for the sustainable existence. Products of the third group are those which revenue is intended to invest into development of the perspective areas.

To catch an idea of mass media competitiveness and market rivalry we group channels according to the characteristics such as market share and niche differentiation. The search goal is to locate them following the requirements of the BCG Matrix and to divide all market players attributing them to the areas of appropriate strategic groups (Pic. 3).



Pic. 3. TV channel market position based on the BCG service portfolio analysis matrix

An above stated dual nature of mass media implies competition for the consumer (auditorium) from one side and indirect offer of its rating (or measured auditorium in other words) to the advertiser. The actual research is based on the auditorium which consists of the weekly viewer number and average time they spend near TV. In other words, the way a person pays to consume its "free" product.

Advertisers allocates his budget based on the following assumptions: how close TV channel contents falls to brand values (determining niche channel differentiation), measured number and width of audience (Weekly Cover) and similarity between product consumers and channel viewer which is called affinity. Channels which are owned a single Company we mark with similar ink. They form the same product portfolio.

Conclusions. On the basis of the analysis TV channels were grouped on the topological area following to the BCG matrix requirements. We should reiterate that the broadcasters are marked with the gradient style according to their ownership. Namely, four media holdings operate in Ukraine; "1+1 Media", "Starlight", "Media partnership" and "pool of Inter-channels".

Although groups tend to monopolize sales but they are completely independent in their operational activity.

We should outline, that prior to implementation in practice the analysis results it is necessary to check for two basic precautions:

First of all, we should mind the companies market shares. Leader would certainly outperform his smaller competitors sticking to one of the generic Porter's strategy, namely cost cuts. It means that even in case of pricing on market average it will be dominating.

As picture illustrates Media market constitutes oligopoly without a certain leader (shares are equal within 30-40%marketshare).

- Another factor that should be set forth in the process of competitive position building with the use of portfolio analysis is the current product life cycle stage. Growth stage would inevitably require business comparatively higher investments than the goods at the stage of maturity. At least to promote the product you would need to invest into the communication strategy to build primary awareness and reminded knowledge. The same way attention should be paid to the merchandising and facilities layout as well as a resources allocation for further manufacturing.

In terms of our research it would be deliberate to consider that all companies go along the growth stage of the lifecycle and Boston consulting group conclusions appears to be valid for practical implementation.

On the subject of the deliberate policy which deals with two and more products we should point out that it is intended to take the broad perspective towards obtaining synergy effect that implies for the outcome which greatly exceeds the mere sum of the resources put in.

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