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INFLUENCE OF THE FINANCIAL CRISIS ON ADVERTISING ACTIVITY

In modern conditions of globalization and increasing international competition, advertising activity is the main instrument of promotion goods and services at foreign and interior markets. Moreover, advertisement is a very important part of industrial communications, being a very powerful stimulant for activation of industrial processes. Advertising is one of the most important elements of marketing mix that has very strong and direct influence on people's behavior.

Problems of enlarging effect of advertising activity were contemplated in works of following Ukrainian and foreign scientists: M. Izenberg, U. Arens, D. Bernet, K. Bove, I.A. Golman, O.V. Simonyan, S. Moriarty, K. Rotuel, C. Sendige and others. Foundations and principles of advertising business, problems of leading and planning of advertising campaigns are described in works of V.L. Muzykant, F.G. Pankratov, S. Rozhkov, T.K. Seryogina, O.A. Feofanov, E.A. Utkin, A. Deyan, L. Persi, J.R. Rossiter, W. Wells and other researchers.

In conditions of the financial crisis, consumers demand for most goods and services that are not vital necessary, decreases sharply. This process is leading to serious detriments in most spheres of national economics, so advertising activity is shortening. However, the full reduction of advertising budgets of most companies leads to more serious decrease of consumers demand, and even to bankruptcy of enterprises. In crisis conditions it is necessary to create the specialized complex of actions, which would stimulate advertising activity.

According with data given by largest agencies of outdoor advertisement in Donetsk region (Golfstream, Mediamaster, Mediahouse), work-load of bill-boards for January, February and March of 2009 reduced at 57 percent in comparison with level of 2008. This was caused by the fact, that most companies have not yet prepared advertisement budgets. Also, important role plays politics of expense economy and impossibility of using credit resources. In this case advertising agencies have to decrease salaries of their staff, or even to fire some workers. Also, there is a tendency of refusal to inculcate and to use the innovative methods of advertisement.

In these conditions, state should improve law and institutional bases, connected with regulating of advertising business. First, some restrictions, connected with advertising of alcohol and cigarettes, should be changed during the crisis. Second, it is necessary to stimulate and encourage social advertisement. Third, state should decrease the level of taxes and obligatory payments for advertising companies.

During the period of crisis, enterprises should, first, make courses and trainings for improvement of qualification for their workers. Second, advertising

companies should regulate in effective way their prices to ransom some of their expenses. Third, in some cases enterprises activity restructuring is strongly recommended. For example, some outdoor advertising agencies should sell bill-boards with low work-load.

In financial crisis advertising business is becoming more complicated, that is connected with advertisement budgets decrease. Therefore, increase of advertising companies effectiveness will be a result of internal reserves realization, state politics and improvement of strategic development of advertising enterprises.

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