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HOLISTIC MARKETING IN THE FASHION INDUSTRY OF UKRAINE

The problems of the fashion industry development in the context of the recognition of the pandemic throughout the world are identified. An empirical study of the implementation of holistic marketing by national and international retail chains of the fashion industry in Ukraine, associated with medium-sized businesses, has been carried out. It has been proven that for Ukrainian consumers the most important characteristic of social responsibility in a trading company is the quality of goods and the level of service that create a business reputation. The results of the study of the impact of quarantine on the development of retail chains in the Ukrainian fashion industry are presented.

Keywords: holistic marketing, relationship marketing, integrated marketing, internal marketing, retail network, social and ethical marketing, fashion industry, corporate social responsibility.

Ильченко Н., Войнилович В. Холистический маркетинг в фэшн-индустрии Украины. Выявлены проблемы развития индустрии моды в контексте признания пандемии во всем мире. Проведено эмпирическое исследование внедрения целостного маркетинга национальными и международными розничными сетями индустрии моды в Украине, связанными со средним бизнесом. Доказано, что для украинских потребителей наиболее важной характеристикой социальной ответственности в торговой компании является качество товаров и уровень обслуживания, которые создают деловую репутацию. Представлены результаты исследования влияния карантина на развитие розничных сетей в украинской индустрии моды.

Ключевые слова: холистический маркетинг, маркетинг взаимоотношений, интегрированный маркетинг, внутренний маркетинг, социально-этический маркетинг, фэшн-индустрия, розничная сеть, корпоративная социальная ответственность.

Background. The complexity and multidimensionality of effective enterprise management in modern market conditions encourages enterprises to use new methods and concepts, including marketing ones. The development of marketing theory and practice in the context of the economic

globalization requires a revision of traditional views on promising guidelines for the development of marketing theory, in particular, the concept of holistic marketing. The coronavirus pandemic has made adjustments to the development of the fashion industry. The fashion industry is currently experiencing the biggest crisis in its history. Closing physical retail, dropping consumer and investor confidence will change the fashion business map, accelerating the decline of struggling companies and supporting great empires.

Analysis of recent researches and publications. Kotler and Keller have introduced the "marketing holistic" concept as the new era of marketing, leaving the "old" marketing concept behind [1]. The implementation phase consists of data collection, processing of collected data, data analysis, interpretation of survey results and the final report with the presentation.

E. Laburtseva defines that "the concept of holistic marketing has one significant drawback: it is difficult to find a place for the strategic aspects of marketing activities, in particular, the analysis of the competitive environment in order to identify the driving forces for the development of the industry, key success factors and developing strategies aimed at ensuring competitive advantages [2].

Y. Robul notices that the holistic concept of efficiency should take into account the effectiveness of the marketing functioning, the introduction and relativity of the marketing orientation between different economic systems and the social effect [3].

Creating favorable conditions for revitalizing the fashion industry market leads to the use of new marketing concepts that are able to offer innovative applied marketing tools; then, to direct research and applied recommendations to the service orientation of the enterprises marketing activities in this industry; and finally, to ensure the application of an integrated approach in solving marketing problems [4–6]. Holistic marketing meets the criteria almost completely. The problem discussion, the insufficient development of methodological approaches and the particular importance of solving the practical problems according to holistic marketing at fashion industry enterprises determine the degree of unsolved problems and the relevance of the research topic [7–11]. But the peculiarities of introducing the holistic marketing concept at the fashion industry enterprises in Ukraine were not considered by Ukrainian scientists, which confirms the research relevance.

The **aim** of the paper is to analyze the tools and methods of holistic marketing used by the fashion industry retail network in Ukraine in the context of the pandemic and to develop proposals for the development of retail chains in the Ukrainian fashion industry during pandemic and after quarantine.

Materials and methods. The implementation phase consists of data collection, processing of collected data, data analysis, interpretation of survey results and the final report with the presentation. The method of comparative analysis and empirical research have been used in the research.

Results. Kotler and Keller have determined the marketing holistic concept as a marketing management approach based on a synthesis of four marketing concepts:

Integrated marketing – the development of marketing activities aimed at creating value for consumers, distribution, promotion of goods (such as mass marketing, personal marketing and direct marketing).

Internal marketing – the management concept aimed at various target groups of employees to identify their needs, demands and the satisfaction degree of working conditions and further career growth, ensuring the adoption of appropriate marketing principles by all employees of the enterprise. There are formation provisions that allow employees to learn the main values of the enterprise, improving relations within the team, increasing the self-identification degree of the employees as members of the organization;

Relationship marketing – a concept aimed at developing long-term trusting relationships with consumers. Management is on the database formation of customer profiles, the consumer preferences and the contact's history with the company, dividing customers into groups according to the key criteria of satisfaction needs. Relationship marketing is sometimes referred to as customer relationship management, customer relationship marketing, partnership marketing or relationship marketing;

Socially responsible (socially-ethical marketing) marketing – a concept based on the provision that the enterprise activities should be accompanied by the simultaneous preservation and strengthening of the consumer and society well-being as a whole. It is based on a new philosophy of entrepreneurship, focused on ensuring the present and future health needs of the whole society and the dignified life by maintaining and improving the environment [1].

Holistic marketing is a marketing concept aimed at creating a holistic marketing mechanism, where components designed to meet the consumer needs, establish and maintain long-term partnership and beneficial relations between economic actors of the market and help to ensure the present and future health needs of the whole society and the worthy life at the expense of environment maintaining and improving.

The introduction features of the holistic marketing concept at the fashion industry enterprises have been researched in the article. *The fashion industry* is a huge, global business, quite diversified and tweaked, where modern technology, aesthetics and functionality are intertwined. In the fashion industry business, success is impossible without designers, materials, scientists, experts in the field of chain supply, specialists of strategy development, etc. The fashion industry is associated with all aspects of design, production, marketing and distribution, from creating the concept of the future product to the release of the final product, brand development and promotion.

Due to the fact of avoiding public places by consumers in the future, the fashion industry enterprises will switch to online sales, and luxury brands will be no exception. Even in the most positive scenario, from the point of "human factor" view, instant recovery of the industry should not be expected. The development history of the fashion industry market will be divided into before and after the epidemic. Global interdependence has become quite obvious, and it is logical to expect changes in the system of values and priorities.

It will be facilitated by the introduction of holistic marketing concepts. We selected medium-sized enterprises as the subject of empirical research because the introduction of holistic marketing requires significant financial investments for retailers. The survey has involved 9 national and international retail networks of the fashion industry located in Kyiv. The researchers have been conducted in October-November 2019. According to the research, only 85 % of respondents know what the concept of holistic marketing means and what basic principles of holistic marketing exist (*figure 1*).

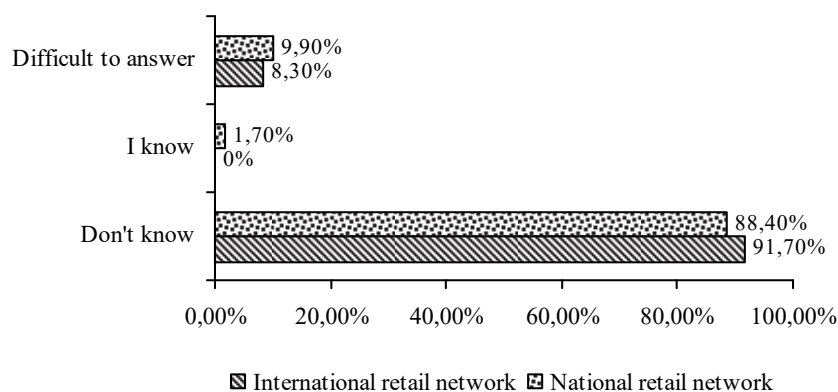


Figure 1. The structure of respondents' responses concerning holistic marketing and basic principles of holistic marketing in Ukraine, %

Source: compiled by the authors.

According to the research results, the retail network of the fashion industry uses the main components of holistic marketing in the activities. So, all retail network has relationships with consumers and partners on the basis of the holistic marketing concept. There have been established relationships with the most significant target groups, evaluated the effectiveness and efficiency of relationships, made up the relationship system as an "added value". There are 100 % of the respondents' answers.

The following factors influence the development of relationship marketing: the creation and use of databases; interactive (indirect) dialogue with customers: e-mail newsletter, chat, mailing directories; personalization: the ability to create various forms of proposals and the personalization.

The sales level in the store can be increased with the help of loyalty programs: promotions, seasonal discounts, sales, as well as the introduction of discount cards or points system, which can be used later to pay for purchases. But the special attention should be paid to the correct selection of personnel, their placement and training. Qualified staff is one of the most effective channels for increasing sales because in most cases, the client makes a decision about the purchase after talking with the sales manager.

The answers were positive by 100 % on the question about the company introducing the concept of internal marketing. The staff need motivation to stimulate sales, which can be, both in monetary terms and

in the format of winning. The retailers' fashion industry often organizes contests between their own retail stores to increase revenue across the entire network immediately. These measures can increase the revenue at minimal cost to retailers significantly, as only one or three winning stores will be awarded. The answers were positive by 100 % on the question about the implementation of the concept of integrated marketing by the company. This style of marketing is becoming more and more important because media fragmentation and exposure have begun to desensitize consumers. For instance, centres around a strong, focused brand image maintain a consistent vision and existence across all media, use traditional and digital media to promote the brand.

The researches have been conducted in April-May 2020. The survey has involved 9 national and international retail networks of the fashion industry located in Kyiv. The study is based on questions developed by the consulting company Colliers International for Ukrainian retail [12]. Most of the retail networks in the fashion industry were closed during the quarantine period, especially those located in a shopping mall.

The retailers were forced to apply anti-crisis measures to reduce the level of losses. Most employees received unpaid leave or were laid off, the marketing budget was reduced during this period (*figure 2*).

According to the research, the respondents have answered that most enterprises worked without supply interruptions, some enterprises did not have a supply of products. The enterprises were forced to change communication channels and only 40% of the retail networks in the fashion industry have passed to e-commerce. Online sales have been doubled for most retail networks of the fashion industry have been doubled during the quarantine period (*figure 3*).

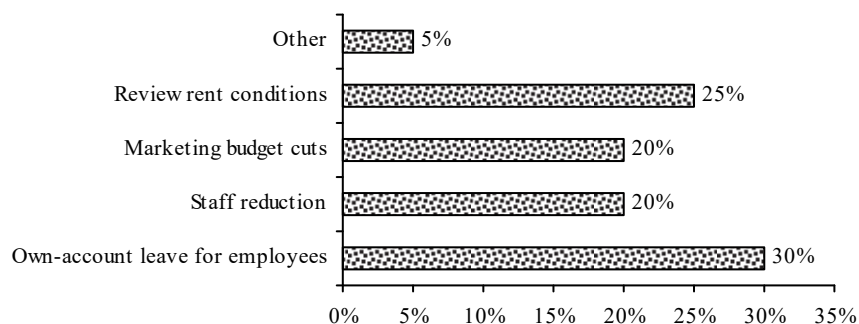


Figure 2. The structure of respondents' responses about anti-crisis measures taken by the company, %

Source: compiled by the authors based on [12].

The research has shown that most retail networks of the fashion industry will continue to grow online after the pandemic. Other enterprises will reduce the number of locations (*figure 4*).

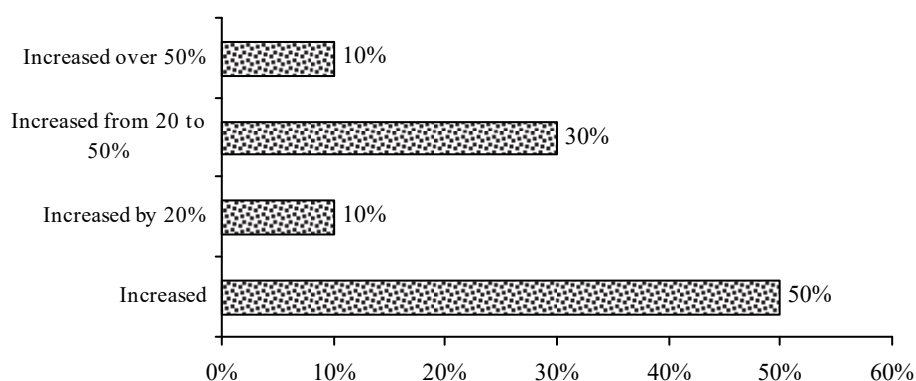


Figure 3. The structure of respondents' responses about online sales increasing during the quarantine period, %

Source: researched by the authors based on [12].

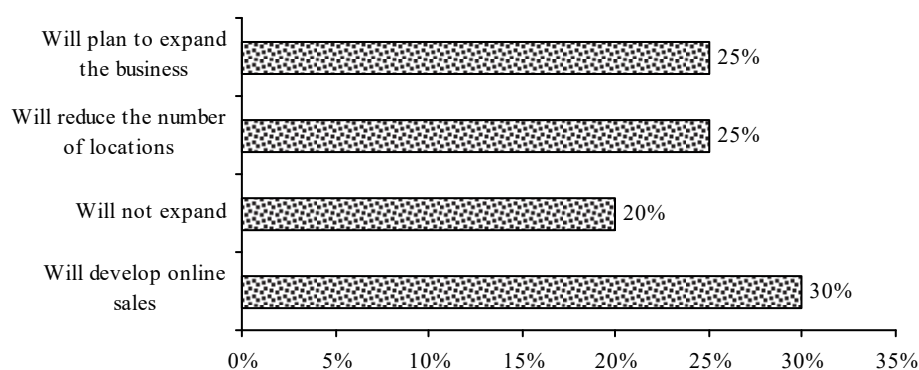


Figure 4. The structure of respondents' responses about affecting the business expansion plans by the pandemic crisis by the end of the year, %

Source: researched by the authors based on [12].

In most cases, retail networks have negative expectations in the development of the fashion industry this year.

But, there is a need for a detailed study of the socio-ethical implementation by national and international fashion retail networks. Social and ethical marketing includes the responsibility of business for product safety, the veracity and reliability of advertising, as well as the aim fairness of pricing. Moreover, charity marketing, volunteering, corporate philanthropy, a socially responsible approach to business management and environmental protection can be attributed to this area. Unfortunately, the fashion industry is the second largest polluter of the environment.

The most well-known international retail networks of the fashion industry have Corporate Social Responsibility (CSR). CSR are standards that help a company be socially accountable in all aspects of the society, including economic, social and environmental. In 2010, the International

Organization for Standardization (ISO) released a set of voluntary standards. ISO 26000 [13] can be used as provides guidance rather than requirements because the nature of CSR is more qualitative than quantitative, and its standards can't be certified. ISO 26000 clarifies that social responsibility can be and help organizations to transform CSR principles into practical actions. The standard is aimed at all types of organizations, regardless of the activity, size, or location and it is the international consensus [3]. For consumers, the most important feature of the socially responsible trading company is the quality of goods and services, consistent with earlier work in the field of CSR and modern business reputation research, where results characterize the quality of goods and the level of service as one of the main components [13].

Fashion businesses and designers are repurposing to produce personal protective equipment for hospitals and fabric masks for civilians, and Ukraine is no exception if it is about the role of socially responsible marketing (socially-ethical marketing) in the condition of the pandemic, Ukrainian fashion industry enterprises have reformatted the sewing production. The representatives of the fashion industry have decided to help those people who daily face the dangerous COVID-19, for doctors; they sew the necessary workwear. The founder of the Bevza brand, Svetlana Bevza, has initiated the charity volunteer movement. This initiative was supported by other Ukrainian designers Ivan Frolov, as well as other brands, for example, Lake Studio, Bobkova and Tago. Among those who were the first to join the charity, Lyudmila Kislenco, a fashion designer of the LUKIS brand, who, along with other designers, has already sewed and transferred thousands of protective overalls for doctors in different cities of Ukraine [14; 15].

For many employees, the important characteristic of a socially responsible trading business is the responsibility to the employees, yet, there are well-known cases of relevant violations, including poor attitude towards employees, violation of labour laws and others. Most employees have noted the importance of "white" wages, due to the widespread practice of some Ukrainian companies to issue payments "in envelopes", hiding the real income of the employees to tax evasion. The significance of official benefits for the employees is their effect on the size of the future pension. Due to the closure of shopping centres and clothing stores, Ukraine has increased unemployment in this industry. Fashion store owners have been forced to send workers on vacation without pay.

Conclusion. The concept of holistic marketing is appropriate for retail networks of the fashion industry in modern conditions. This concept is implemented by national and international networks in different ways. International networks have significant advantages in implementing holistic marketing. All components of holistic marketing work to increase sales where all functional departments work together to optimize the business processes of the company.

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Ільченко Н., Войнілович В. Холістичний маркетинг у фешн-індустрії України.

Постановка проблеми. Розвиток теорії та практики маркетингу в умовах економічної глобалізації потребує перегляду традиційних поглядів на перспективні орієнтири теорії маркетингу, зокрема, концепції цілісного маркетингу. Пандемія коронавірусу внесла корективи в розвиток індустрії моди. Зараз модна індустрія переживає найбільшу кризу в своїй історії. Закриття фізичної роздрібною торгівлі, зменшення довіри споживачів та інвесторів безповоротно змінить бізнес-карту моди, прискоривши занепад невеликих компаній та підтримавши великі імперії.

Мета статті – розробка пропозицій щодо розвитку торгових мереж індустрії моди в Україні в умовах пандемії та після карантину. Як частина прикладного напрямку – аналіз інструментів та методів холістичного маркетингу, які використовуються роздрібною мережею індустрії моди в Україні в контексті оголошеної пандемії.

Матеріали та методи. У процесі дослідження використано методи порівняння, аналітичний, економіко-статистичний.

Результати дослідження. Визначено теоретичні підходи до концепції холістичного маркетингу та її основні складові. Доведено, що однією з галузей, яка постраждала в умовах визнання пандемії у всьому світі, є індустрія моди. Проведено емпіричне дослідження впровадження холістичного маркетингу національними і міжнародними роздрібними мережами індустрії моди в Україні. Встановлено, що менеджери роздрібних мереж в індустрії моди не обізнані з концепцією цілісного маркетингу. Однак за результатами досліджень роздрібних мереж цієї галузі визначено, що торговельні мережі використовують такі основні компоненти цілісного маркетингу, як концепції: маркетингу взаємовідносин, внутрішнього та інтегрованого маркетингу. Доведено, що для українських споживачів найбільш важливою характеристикою соціальної відповідальності в торговій компанії є якість товарів та рівень обслуговування, які створюють ділову репутацію. Висвітлено результати дослідження впливу карантину на розвиток роздрібних мереж в українській індустрії моди.

Висновки. Вперше сформульовано, що в Україні концепція холістичного маркетингу реалізується по-різному національними та міжнародними мережами фешн-індустрії. Впровадження концепції холістичного маркетингу більш притаманне для міжнародних торговельних мереж, які мають значні переваги у цій справі. Всі компоненти холістичного маркетингу спрямовані на збільшення товарообороту, коли усі функціональні відділи працюють разом для оптимізації бізнес-процесів компанії. Визначено, що український модний бізнес та дизайнери активно впроваджують елементи соціально-етичного маркетингу у свою діяльність.

Викладені концептуальні положення потребують подальшого наукового дослідження в напрямі оцінювання особливостей впровадження інструментів холістичного маркетингу роздрібними торговельними підприємствами фешн-індустрії.

Ключові слова: холістичний маркетинг, маркетинг взаємовідносин, інтегрований маркетинг, внутрішній маркетинг, соціально-етичний маркетинг, фешн-індустрія, роздрібна мережа, корпоративна соціальна відповідальність.