

Стратегії реструктуризації підприємств доцільно розглядати від варіантів, які передбачують мінімальні капіталовкладення і зовнішнє фінансування, до інвестиційних проектів повної зміни технології виробництва. Однак для деяких українських підприємств головною метою реструктуризації є в тому, щоб задовольнити кредиторів, що не завжди відповідає рішенням традиційного завдання реструктуризації — збільшенню вартості підприємства.

В період структурної кризи підбір концепції реструктуризації може обмежуватися варіантами з найменшими ризиками. При цьому можливе досягнення нульової або дуже близької вартості бізнесу [3].

**Висновки.** Таким чином, процес реструктуризації підприємства повинен бути не одноразовим актом перестановки кадрів або змін технології виробництва, а безперервним, системним, логічно доцільним. Особливістю даного процесу є те, що він цілком збігається із життєвим циклом самого підприємства. Оновлені основні фонди і технології визначають напрями, ступінь необхідності та пріоритети здійснення змін у сфері управління трудовими, фінансовими і матеріально-технічними ресурсами промислового підприємства.

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ШТЕНГЕ А.А., ст. гр. МЭД-07

Науч. руков.: Макеев А.Ю., к.т.н., доц.

ГВУЗ "Донецкий национальный технический университет",

г. Донецк

### MARKETING CAMPAIGNS OF THE LOW-COST AIRLINES IN UKRAINE OR AROUND THE WORLD FOR \$1867

*Проанализированы причины низких издержек low-cost авиалиний, маркетинговые приемы борьбы за пассажиров, проблемы прихода новых авиакомпаний на украинский рынок авиа перевозок.*

**Topicality.** Euro 2012 is coming and the problems of transportation are becoming more and more topical. Railway and motor communications are rather developed in Ukraine, however they are too slow for the tight schedule of matches. So the best solution is to use air transport but in Ukraine it leaves much to be desired. Not so long ago a new type of airlines has appeared at the Ukrainian air transportation market. They seem to be the most promising and affordable airlines nowadays.

#### **Objectives of exploration:**

to explore problems that face a new-coming airline in the Ukrainian air transportation market;  
to find out how low-cost airlines manage to sell such cheap tickets and remain profitable;  
analyse marketing efforts of the low-cost airlines.

**Main body.** People are constantly on the run. Life is becoming faster and more

eventful with every coming year, so we need to travel more and more. It's an open secret that the fastest way to get to the any part of the planet is travelling by plane. Nevertheless in our country a few people use this transport facility. Due to the economic crises air traffic has dropped even more. In Ukraine 6,2 m people have used air transport in 2008 (see chart 1) while in 2009 their number went down to 5,1 (see chart 2). The slump accounted for more then 17%. So nowadays air transport is the least popular transport facility in Ukraine. Therefore air carriers are fighting for the clients.

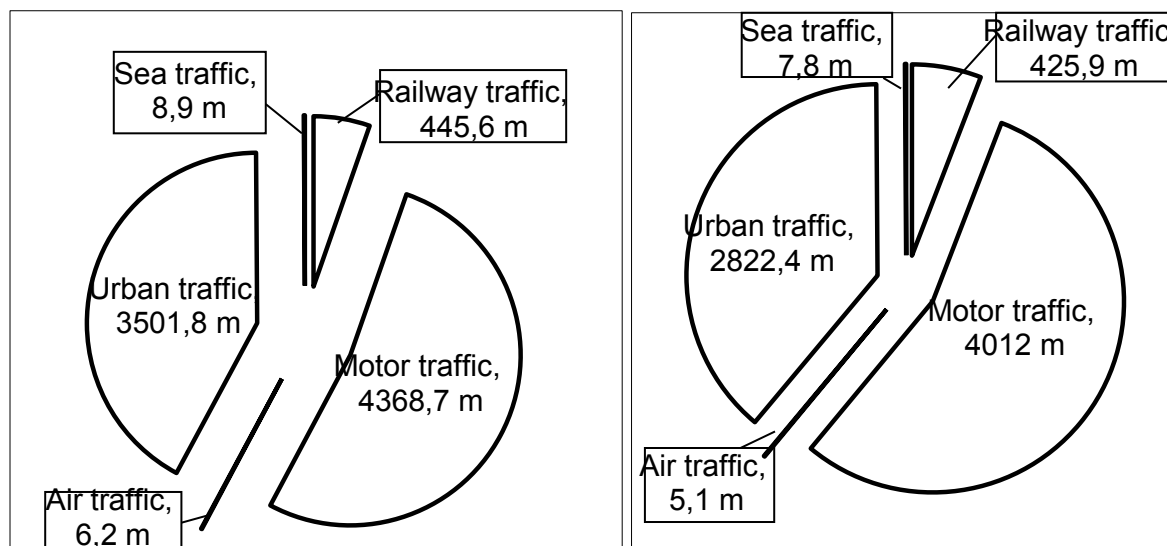


Chart 1. Passenger traffic in Ukraine in 2008 Chart 2. Passenger traffic in Ukraine in 2009

Not so long ago to make the market of passenger air transportation in Ukraine more lively so-called low-cost airlines have been allowed by the Ministry of Transport and Communications of Ukraine.

There are about 150 low-cost carriers in the world nowadays which make thousands of flights in hundreds of different directions every day. On the 11 July, 2008, at 6 a.m. the plane of the first budget airline in Ukraine took off. First 177 clients of Wizz Air Ukraine have flown from Kiev to Simferopol only for 79 hryvnas! That was cheaper then to travel by train in compartment car! Even taking in consideration a current inflation rate and increase in prices it is still reasonable to take this flight, because it costs 169 hryvnas while the price for a train ticket has risen to 150 hryvnas. Moreover Wizz Air claims to bring you to the Crimea only in one and a half hours while journey by train will take about 13 hours! Advantages of flights are evident. But how are low-cost airlines able to make their flights cheaper then flights of the rival companies? It's simple. They just reduce their costs.

Conception of the low-cost airlines was created in USA in 1970<sup>th</sup> and has been successfully working on all continents ever since. Nowadays difference between low-costers and usual airlines is rather blurred. Sometimes it's hard to tell if this company is a budget carrier or not. Although discount carriers has always had typical features such as:

- a single passenger class;
- a single type of aircraft (commonly the Airbus A320 or Boeing 737 families), reducing training and servicing costs;
- a minimum set of optional equipment on the aircraft (no in-flight entertainment systems, seat recliners, window blinds, seat headrest covers etc.), further reducing costs of acquisition and maintenance, as well as keeping the weight of the aircraft lower and thus saving fuel
- a simple fare scheme, using one printed form for round-trips, lately many companies are not using printed tickets at all due to the appearance of electronic tickets;

emphasis on direct sales of tickets, especially over the Internet (avoiding fees and commissions paid to travel agents and computer reservations systems);

typically fares increase as the plane fills up, which rewards early reservations;

unreserved seating (encouraging passengers to board early and quickly, thus further decreasing turnaround times);

flying to cheaper, less congested secondary airports and flying early in the morning or late in the evening to avoid air traffic delays and take advantage of lower landing fees;

simplified routes, emphasizing point-to-point transit instead of transfers at hubs (again enhancing aircraft use and eliminating disruption due to delayed passengers or luggage missing connecting flights), for example, member of the board of directors of the Wizz Air Ukraine Nataly Kazmer says that the main object of the company is not providing good connections but launching as many flights connecting Ukraine and European airports as possible. "So there is no point to wait for convenient connections" she says;

encourage the use of direct flights. Luggage is not automatically transferred from one flight to another, even if both flights are with the same company;

passengers paying charges for extras, such as hold luggage, online check in and priority boarding;

avoiding using jetways to board and alight passengers by using a mobile stairway which is a cheaper alternative;

not supplying meals in a flight, but offering snacks, sandwiches and drinks instead to purchase on board;

no refunds or transfers to later flights in the event of missed flights, i.e. if the aircraft leaves on time without a passenger who arrived late, he will have to buy a wholly new ticket for the next flight.;

employees working in multiple roles, for instance flight attendants also cleaning the aircraft or working as gate agents (limiting personnel costs);

a disinclination to handle Special Service passengers, for instance by placing a higher age limit on unaccompanied minors than full service carriers.

Not every low-cost carrier implements all of the above points. For example, some try to differentiate themselves with allocated seating, while others operate more than one aircraft type, still others will have relatively high operating costs but lower fares.

As the number of low-cost carriers in the world has grown, these airlines have begun to compete with one another in addition to the traditional carriers. In the US, airlines have responded by introducing variations to the model. Frontier Airlines and JetBlue Airways advertise satellite television. In Europe, the emphasis has remained on reducing costs and no-frills service. In 2004, Ryanair announced proposals to eliminate reclining seats, window blinds, seat headrest covers, and seat pockets from its aircraft.

The budget airlines frequently offer flights at low prices — often flights are advertised as free (plus applicable taxes, fees and charges.) Perhaps as many (or as few) as ten percent of the seats on any flight are offered at the lowest price, and are the first to sell. The prices steadily rise thereafter to a point where they can be comparable or more expensive than a flight on a full-service carrier.

There are 3 low-cost carriers in Ukraine: Germanwings, Air Arabia and Wizz Air.

Earlier Ukrainian passengers could fly from Lvov to Kiev and from Lvov to Simferopol using Wizz Air Ukraine. However, September 2009 the company has canceled these domestic flights due to their low profitability and left only Crimea direction despite of the fact that launching inner flights was one of the main conditions of the Ministry of Transport and Communications of Ukraine for the company to work in our country. The first international flight was made to London December 17, 2008. Nowadays Wizz Air's airplanes make flights to Antalya, Treviso (36 km from Venice), Dortmund, Lubek (80 km from Hamburg), Katowice (81 km from Krakow), Cologne, Memmingen (116 km from Munich),

Luton (55 km from London) and Oslo from Lvov and Kiev.

Moreover, the biggest low-cost airline of the Middle East and South Asia Air Arabia has been flying from Kiev to Sharjah (United Arab Emirates (UAE)) since October, 2008.

Low-cost carrier Germanwings has also been making regular flights to Cologne from Kiev since May, 2009.

It has been announced that Romanian Carpatair, German Air Berlin and Arabic FlyDubai will appear in Ukrainian sky but all of them have postponed their planes.

Discount carriers exist and are successfully working at all continents except Africa (there they fly only in Morocco, Tunisia and The Republic of South Africa). With the help of budget airlines it is possible to travel around the world easy and cheap.

In the autumn of 2007 journalists of the Moscow branch of the National Geographic Traveler made a rout of the trip around the world using only low-cost airlines. They have counted that it would have cost \$1304. But it's impossible to use this route any more because some companies have canceled a number of their flights. Nevertheless it's possible to make a new route which would allow to fly round the world visiting Asia, Australia and America using only those companies which call themselves low-cost carriers. This trip would cost \$1867 if tickets are bought couple of months before the flight. To make this world tour, traveler would have to spend about 3 days in the air. In total such trip can take 10-11 days including all connections.

This route can be realized with the help of 6 airlines. If the journey begins and ends in Kiev one should make 9 connections. And if you are not going to go out the airports in vain and you are ready to sleep in traffic areas you will need Australian, Canadian and British visas as only in Melbourne, Vancouver and London you'll have to change the airport in order to continue the trip. You will need visas of India, Singapore and USA if you'd like to go sightseeing in the first two countries and Hawaii. To have a walk in Katowice you'll need a Shengen visa.

When the first low-cost airlines came to Ukraine people thought that the others would come either and flight prices would fall dramatically. However now it's evident that such "avia revolution" in our country will be postponed at least till Euro 2012 but then we will be able to look bravely into the "Open sky"!

**Summary.** All in all I've come to the conclusion that, unfortunately, a new-coming airline faces a lot of difficulties at the entrance to the Ukrainian air transportation market. Moreover, most of that problems would be solved easily if Ukraine join the "Open sky". What is more, that will stimulate competition at the Ukrainian air transportation market. Needless to say that it would have a good influence on the rise of service.

Though, nowadays airlines are also fighting for the passengers. Low-cost airlines set a good example. They carry out a lot of different marketing campaigns in order to attract new clients. I have to admit that very often they contain a lot of shoals but they can be extremely beneficial if you know all the fine points of buying tickets.

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