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“Agile marketing as a factor of firm performance: Empirical study of
Russian companies”

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Описание цели, задач и основных результатов	<p>Основная цель исследования - определить место и роль практик agile (или гибкого) маркетинга в арсенале российских компаний. Также целью исследования является разработка практических рекомендаций по повышению эффективности деятельности компаний с использованием более гибких методов трансформации, развития и роста в условиях экономического кризиса.</p> <p>Задачи научной работы:</p> <ol style="list-style-type: none">1. Исследовать концепцию гибкого (agile) маркетинга и определить приемы, которые могут быть использованы российскими компаниями в условиях жесткой экономической неопределенности для смягчения последствий кризиса.2. Определить уровень осведомленности российских компаний о гибких практиках в маркетинге; определить в какой степени анализируемые компании уже используют гибкий подход к маркетингу; какая мотивация была у компаний для внедрения или не внедрения данного подхода в работу.3. Выяснить, какие трудности и препятствия видят компании при внедрении гибкого подхода к маркетингу в своей компании.4. Определить, как внедрение гибкого маркетинга влияет на эффективность работы компании на примере российского бизнеса. <p>Основные результаты:</p> <p>В данном исследовании был проведен глубокий теоретический анализ по теме гибкого маркетинга и определены ключевые элементы agile маркетинга (МА), которые необходимо развивать компаниям, чтобы стать более адаптивными в сложных экономических условиях и быстро меняющейся рыночной ситуации. По результатам анализа была предложена модель оценки готовности компаний к внедрению гибкого подхода к маркетингу и успешности внедрения этого подхода.</p>

	<p>Эмпирическое исследование состояло из двух методов: ядром данного исследования является качественное исследование с последующим количественным расширением для дополнительного освещения вопросов, сформулированных в данном исследовании.</p> <p>Качественное исследование проводилось с использованием глубинных интервью и тематического анализа, а количественная часть состояла из статистического анализа вторичных данных с использованием факторного анализа, регрессионного моделирования и кластерного анализа. Результаты данного исследования позволили по-новому взглянуть на мотивацию внедрения гибкого подхода к маркетингу российским бизнесом, определить основные проблемы, которые могут возникнуть перед российским бизнесом при внедрении новой практики и определить отношение к agile-подходу к маркетингу в российских компаниях. Результаты исследования также соответствуют предыдущим исследованиям и подтверждают положительную взаимосвязь между принципами гибкого маркетинга и результатами деятельности компании (как с финансовой, так и с операционной эффективностью). Однако факторная структура для основных элементов гибкого маркетинга, определенная в предыдущих исследованиях, не подтвердилась.</p> <p>Регрессионный анализ вторичных данных, собранных посредством опроса 218 российских компаний показал, что существует сильная положительная связь между несколькими переменными: (1) скорость и гибкость фирмы с ростом продаж; успехом вывода на рынок новых продуктов или услуг; временем, необходимым для вывода их на рынок; (2) способность к экспериментированию с ростом доли рынка компании; возвратом на инвестиции (ROI); созданием потребительской ценности; (3) способность к осмыслению статистически значимо и положительно влияет на рост относительной доли рынка по сравнению с конкурентами; на прибыльность бизнеса; на доходность продаж; и на формирование лояльности клиентов; (4) гибкость компании положительно связана с увеличением количества продаж текущим клиентам; количеством успешно запущенных новых продуктов или услуг; и лояльностью потребителей.</p>
Ключевые слова	Эджайл маркетинг, гибкий маркетинг, скорость, экспериментирование, определение рыночных тенденций, гибкость, межфункциональная командная работа, операционные показатели, финансовые показатели,

	<p>отношения с клиентами, удовлетворенность клиентов, лояльность клиентов, российский рынок, экономический кризис.</p> <p>Пояснения к сокращениям:</p> <p>МА - гибкий маркетинг</p> <p>СМО - специальная военная операция</p>
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ABSTRACT

Master Student's Name	Anastasia Praslova
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Master Thesis Title	“Agile marketing as a factor of firm performance: Empirical study of Russian companies”
Description of the goal, tasks and main results	<p>The primary goal of the study is to define the place and the role of agile marketing practices in Russian companies’ tool box. The research also aims to devise practical recommendations for improving company performance using more agile methods of transformation, development and growth in times of economic crisis.</p> <p>Tasks of the research:</p> <ol style="list-style-type: none"> 1. Research the concept of marketing agility and define techniques that could be used by the Russian companies under the conditions of severe economic uncertainty to mitigate crisis consequences. 2. Determine the level of awareness of agile practices in Russian companies; to what extent the companies under analysis are already using a flexible approach to marketing; what motivation the companies had to implement or not this approach. 3. Find out what difficulties and obstacles companies see in implementing a flexible approach to marketing in their company. 4. Determine how marketing agility implementation effects company’s performance on the example of Russian business. <p>Main results:</p> <p>The in-depth theoretical analysis on the topic was performed and key marketing agile (MA) elements were defined that are necessary to be developed by companies to become more adaptive under difficult economic conditions and rapidly changing market situation. The model for evaluating the readiness of the companies and the success of implementing MA was proposed.</p> <p>The empirical study consisted of two methods : the core of this research paper is qualitative research with the follow-up quantitative extensions to provide additional coverage of the questions posed in this research.</p>

	<p>The qualitative research was done using in-depth interviews and thematic analysis and the quantitative part consisted of statistical analysis of secondary data using factor analysis, regression modelling and cluster analysis.</p> <p>The results of this research provided new insights into motivation for adoption of MA approach by Russian business, identified key challenges that can arise before Russian business in implementing the new practices and discover the attitude towards agile approach to marketing. The results of the research were also consistent with the literature and confirmed positive relationship between MA principles and firm performance. However, the factor structure for main elements of MA defined in previous research was not confirmed. The analysis showed that there is a strong positive relationship between several variables: (1) Speed and flexibility capability of the firm and sales growth; success of introduction of new products or services to market; time required to bring them to market; (2) Experimentation capability with market share growth of the company; return on investment (ROI); consumer value creation; (3) sense making capability and growth of relative market share compared to competitors; business profitability; returns on sales; formation of customer loyalty; (4) flexibility with the amount of sales to current customers, amount of successful new products or services launched and customer loyalty.</p>
Keywords	<p>Agile marketing, flexible marketing, speed, experimentation, market sensing, flexibility, cross-functional team-work, operational performance, financial performance, customer relation, customer satisfaction, Russian market, economic crisis.</p> <p>Abbreviations explained: MA – Marketing agility SMO – special military operation</p>

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Introduction

Over the last decade, there has been a dramatic change in the way people make purchases and interact with brands (Swaminathan et al. 2020, as cited in Kalaignanam et al. 2021). Digital transformation, emergence of new marketing and sales channels, and an overload of customer data have forced companies to change the way they practice marketing (Kalaignanam et al. 2021). Today, shopping is viewed more and more often as a customer journey, rather than just a simple linear path to purchase (Lee et al. 2018, as cited in Kalaignanam et al. 2021). Furthermore, the pandemic has led to an overall change and fundamental rethinking of marketing models in business, leading to the emergence of new marketing principles and a need for agile practices to be recognized in business (Lemon et al. 2016). Marketing agility (MA) is now viewed by many scholars as a key priority for achieving marketing excellence (Homburg et al. 2020).

However the term is vague and has to be defined properly in order to talk about marketing agility measurement in different companies.

Furthermore, speaking about Russian market, a lot of factors have been driving the need for companies to constantly change and adopt to economic conditions besides digitalization. State of economic crisis locally and globally has affected how the companies operate including the effects of Covid-19 pandemic. Crisis can be defined as “a low probability, high-impact situation that is perceived by critical stakeholders to threaten the viability of the firm” (Pearson and Clair, 1998). As crises can significantly affect the organization and result in poor economic performance and even in company demise managers need to make sense of these events as quickly as possible and devise instruments to effectively manage these events (Grewal et al. 2001).

For the past eight years, since 2014 Russian business has been operating under the influence of European and American economic sanctions. First sanctions largely affected many companies operating in the agricultural sector of economy and in the banking sphere (Connolly 2015). Restrictions on import and export of agricultural production have significantly transformed how this sector of economy looks right now, driving innovation and import substitution. However, vast amount of innovation is largely hindered by insufficient domestic production and poor product quality. For the development and modernization of production, Russian businesses have to import Western equipment and machinery, since there are simply no local analogues of some equipment. Many enterprises, according to experts, profit only thanks to the privileges of the authorities' interest in import substitution. This tendency is relevant not only to the agricultural sector of economy, but mostly to every sphere of domestic production.

The problem has largely become evident with the start of another economic crisis in Russia in February 2022. With the implementation of new, more severe sanction packages on the Russian economy companies from varying economy sectors ceased their operations and reduced

or stopped export of technologies, composite materials and manufactured parts for production. Moreover, large number of large and medium enterprises decided to stop their operations on the Russian market, and leave the market. These events have created a great deal of risk for the economic performance of native enterprises, but at the same time have created numerous opportunities for innovation and further development, as the competition in many spheres has decreased or ceased to exist at all and native producers received a chance to acquire the opened niches and penetrate the market.

The main focus of this work will be on the concept of marketing agility and marketing agile practices and how they can be used by Russian companies operating on the native market to adopt during the times of high uncertainty and rapid market change, mitigate the impacts of major economic crises, and operate effectively under severe economic conditions. In this paper we aim to identify place and role of marketing agile practices for Russian business and develop practical recommendations on developing competitive advantage in the future using more agile methods of transformation, development and growth under harsh economic conditions. In this work we will study the theoretical data on agile marketing practices and the advantage they provide as well as on the historical data on the development of Russian business in times of crisis, and will also quickly analyze a couple of crisis management strategies relevant to the topic.

Research gap:

Chosen topic is very relevant taking into account recent geopolitical circumstances, introduction of new economic sanctions against import and export of goods and necessary components for operations of majority of companies in different spheres of economy and severe uncertainty of future economic development. Russian business finds itself in a situation of extreme uncertainty. Besides rapid digitalization of business and the change in consumption behavior of consumers many external factors affect the way companies conduct business on the Russian market nowadays. The sanctions that have been imposed on the Russian economy by a vast majority of countries in the world in 2022 are the most severe sanctions in the modern history of economic development. There exist a large research gap concerning the strategies and approaches to development the incumbent companies may implement to survive and the path for native economic development is unknown. In the current state of economy companies should deploy different development tactics in order to stay in business. Moreover, multiple researchers argue that the adoption of an agile approach to marketing is crucial in modern reality for successful operation of the firm (Homburg et al. 2020). Moreover, Philip Kotler highlights the importance of adapting agile approach to marketing activities as one of the elements of his new marketing 5.0 concept, that he introduced in his new book published in 2021 (Kotler et al. 2021). Previous

literature primarily focused on the successful cases of foreign companies operating in western markets. On the Russian market, however, the research of companies using agile marketing practices is lacking. Therefore, it is interesting to investigate and explore how Russian business perceives the concept, are agile marketing practices already being implemented by Russian companies, what motivation is behind the choice of marketing strategy and chosen marketing practices.

Moreover, Kalaignanam et al. (2020) discusses the need for creation of a tool to measure the degree of implementation of agile marketing by the company. Which can also be interesting to research in relation to Russian companies, to offer them a practical tool to use for successful transformation towards more agile marketing practices.

In addition, it is useful to research the topic to discover which factors will influence the competitive strategies and effectiveness of Russian companies as well as firm performance in the middle of such a severe economic crisis. It can also be interesting to investigate what actions can companies possibly take in terms of marketing strategy in order to survive and succeed at times of high economic turbulence and to identify what strategies should business implement for future development and innovation. In particular, taking into account foreign practices that suggest that MA implementation leads to better financial and market performance (see Zhou et al. (2019), Khan (2020) and Homburg et al, (2020)), it is useful to look at how agile marketing techniques can benefit business in present economic conditions in the Russian context .

Research goal:

The primary goal of the study is to define the place and the role of agile marketing practices in Russian companies' tool box. The research also aims to devise practical recommendations for improving company performance using more agile methods of transformation, development and growth in times of economic crisis.

Research objectives:

1. Research the concept of marketing agility and define techniques that could be used by the Russian companies under the conditions of severe economic uncertainty to mitigate crisis consequences.
2. Determine the level of awareness of agile practices in Russian companies; to what extent the companies under analysis are already using a flexible approach to marketing; what motivation the companies had to implement or not this approach.

3. Find out what difficulties and obstacles companies see in implementing a flexible approach to marketing in their companies.
4. Determine how marketing agility implementation effects company's performance on the example of Russian business.

Research structure

To reach the set objectives of the research we proposed a research design consisting of a sequential transformative mixed method approach. (Creswell 2003). The principle method of this research is qualitative with the follow-up quantitative extensions (D. Morgan 2014).

Qualitative research was done using in-depth interviews and further thematic analysis of the results. The goal of this method was to define the altitude towards agile concepts including marketing agility, its perception by companies under analysis and discover degree of its implementation, including receiving a deeper understanding of key motivation, key difficulties to its implementation and successful experience. The quantitative research was used to generalize on a larger sample the insights and results gathered by the qualitative analysis, to test the factor structure applied to quantify the degree of agile marketing implementation by companies interviewed and to further research the effects of each of the elements of agile marketing on firm performance indicators.

The sample for the qualitative part of the research consisted of 10 representatives of Russian companies of different sizes (from micro to large organizations), from different industries, operating of different regional markets. All the interviewees were representative of the executive management, either in marketing or general management or spheres tightly related to company development. All the interview transcripts can be found in the online depository via link:

The quantitative research was conducted using statistical research methods in IBM SPSS, and IBM SPSS AMOS. Secondary data analyzed statistically in this paper was collected via survey by GSOM center of for Strategic Marketing and Innovation. The sample consisted of 218 Russian firms mainly of micro and small sizes. The data was collected in the beginning of 2022.

We now proceed to the discussion of existing literature on the related topics to this research objectives in order to fully understand and define the concept of agile marketing, formulate our research assumption and questions and analyze the market conditions Russian companies operate under today to better understand the context of the market during our empirical analysis.

All the supplementary materials that were not provided in the appendix can be found in the online depository (including full transcriptions of in-depth interviews) via the link:

https://drive.google.com/drive/folders/1ugAI5BZQkg8DJkje4I5hyHeV-0xEUmkb?usp=share_link

Chapter 1: Methodological literature review on the topic of marketing practices and capabilities of the firm. Market review.

1.1 Defining marketing agility and its attributes. Reasoning for considering marketing agility as an important attribute of successful company performance.

Before speaking about an agile approach to marketing it is important to look at and analyze more traditional approaches to marketing and to define the differences between various approaches to marketing of products and services in order to .

Philip Kotler defines marketing management as: “the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value.”

The term "traditional marketing" is applied with respect to a selection of principles, notions and methodological developments created by scientists, consultants and practicing marketing specialists (marketing directors, brand managers, communication managers) during the last century and particularly during the last thirty years. Somehow, the notions are the foundation of marketing work so far, having exposed practically no significant alterations for many years. Attention of traditional marketing is mainly directed to the functional characteristics and advantages of products. Supporters of traditional marketing suppose that customers (whether businesses or end consumers) of any market (industrial goods, consumer, technology market or services) are searching for concrete characteristics in a good, estimate these functional characteristics regarding their relative value and select a good which has the greatest utility from their point of view (a selection of needed properties). Everything that does not belong within the mentioned framework, in the best case, relates to the "image" or "brand" not having distinct vision of the sense of the notions (Kotler 2011). At worst, this means an "irrational", "opposite to usual meaning" rejection from ordinary consumer actions.

The principles and notions of traditional marketing relate to the essence of goods, consumer behavior and competition. They are applied in relation to the creation of new products, product ranges and new brands development, as in creation of communication strategies and of counter measures to the rivals' strategies. According to Philip Kotler there exist specific features to the products that are important for consumers when making their purchase decisions. These include properties of the product and its advantages before rival products or services. Philip Kotler in his book defines properties of a product as: "parameters which supplement the general function of the

good." As it is supposed that consumers choose a product taking into account its properties, the properties play the role of the major instrument for differentiating the firm's goods from those of competitors. Michael Porter, a marketing strategy expert, determines good differentiation in competitive surroundings exactly as the obtaining of a distinguished position for the property that "customers value most." (Kotler 2011). The advantages are rooted in the functional properties of the good. Advantages are the consumer qualities which the buyer wishes to receive by acquiring a good. For instance, if we take a toothpaste, its advantages will be the protection against caries, impeding the shaping of dental calculus and whitening properties. Concerning airlines, the advantages can be flight timetables and routes, like bonus miles for loyal clients. In regard to laptops, the advantages can be defines as productivity, compatibility, mobility. (Kotler 2011)

The connection of properties and advantages is almost never direct, which means that one property shapes one advantage. Most commonly, there are several properties for any advantage. For instance, the clearness of the image of the TV screen depends on the properties of the TV receiver like the size of the screen and the characteristics intrinsic to the luminance and contrast of the image. As for market, the producer is able to attract the attention of diverse groups of users to diverse advantages of the good. Such an approach is considered to be an efficient method for segmentation of the market with the help of categorizing consumers using the qualities they anticipate to get from the good. (Kotler 2011).

Philip Kotler describes the notion using the example of Procter & Gamble": "P&G is the owner of nine brands of washing detergents ("Tide", "Cheer", "Gain", "Dash", "Bold", "Dreft", "Ivory Snow", "Oxydol", "Era"), determined by the essence of the benefits that consumers anticipate from goods of this kind. This way, "Tide", in the firm's judgement, "is efficient to such a degree that it eliminates everything beside the texture of the cloth." Next, "Ivory Snow" is "99.44% clean and harmless", and hence perfect for washing lace clothes and children's clothes. "Bold" is especially delicate, it "cleanses and softens the cloth, provides it with antistatic properties." The firm presents Dash as a universal good "able to fight with strong pollution extremely cheaply.

In the area of traditional marketing, McDonald's and Burger King are competitors for each other (and not for Pizza Hut or Friendly's). "Snappie" competes with "Tropicana" (but not "Arizona Iced" iced tea, and of course not another soft drink). Chanel scent are rivals with Dior scent (and not scent produced by Lancome or L'Oreal or the ones provided by the mass market). Producers of luxury china consider as rivals the rest of producers of luxury china (not Crate & Barrel or Williams-Sonoma goods) (Kotler 2011). According to the opinion of supporters of traditional marketing, the competitive struggle spreads generally in small good groups that compose the battleground for good assortment managers and brand managers.

Summing up, the concept of traditional marketing asserts that in order to achieve the goals of an enterprise, it is necessary to identify the needs of its target audience and offer goods and services that satisfy them better than competitors' products. The goal of the traditional concept is the formation of profit due to the best satisfaction of demand.

However, traditional marketing approach focuses on more static firm capabilities. According to the resource-based view, a company's competitive advantage is based on its intangible resources, such as skills and reputation (Porter, 1991). In this perspective, basic marketing mix elements are considered as static marketing capabilities, since they implicitly refer to well-defined and hard-to-copy organizational routines. (Day, 2011). While this viewpoint highlights the identification of likely strategic assets of companies, it doesn't provide clear guidance on the underlying mechanisms through which these capabilities can be acquired and improved over time to sustain a competitive advantage (Teece et al., 1997).

Furthermore, static marketing capabilities only focus on the internal factors owned by the firms, and it's not well explained how these company-owned capabilities could adapt to market changes (Day, 2011). In addition, firms that rely solely on static marketing capabilities are not able to explore environmental changes, since these capabilities are exploitative in nature (Guo et al., 2018). Thus a more dynamic approach is necessary.

Shifting from the traditional approach to marketing practice we analyzed the more modern marketing 4.0 concept, introduced by the “guru of marketing” Philip Kotler in 2017 in his book “Marketing 4.0: Moving from Traditional to Digital” that acknowledges that firms start to operate not only on offline markets but also in the online domain and that takes a more dynamic view on marketing strategy and then further compared it and analyzed a new concept introduced by the same authors in 2021 – marketing 5.0.

This concept moves closer to the agile marketing concept, shifting from the traditional approach incorporating digital domain into marketing strategies. For centuries, the progress of mankind has been accompanied by the dynamic development of trade, and marketing. This integral element of effective sales has turned into forms that meet the changing expectations and needs of consumers. Companies like Harley Davinson are breaking the principle rules of marketing, by stepping away from conducting expensive marketing research, spending huge funds on advertisement campaigns, and operating large marketing departments and rather applying a more customer oriented approach (Kotler, 2000).

The ever—increasing demands of customers and the ever-changing realities of the market have led to the emergence of a new generation of marketing covering many levels - marketing 4.0

The concept of marketing 4.0 was first introduced in 2015 by the world marketing authority Philip Kotler. The new concept was developed based on insightful observations and analysis of changes in consumer preferences and consumer behavior. The concept appeared as a continuation of the previous ones, incorporating the best of them – affordable high-quality products, actively promoted on the market in order to attract the attention of consumers and stimulate purchases. If the previous concepts were focused primarily on short-term benefits, marketing 4.0 expands its boundaries to a strategic perspective. According to the concept, the business needs to shift the focus of its activities to specific consumers with specific needs and preferences. Since the firm is not able to address the needs of each consumer with the same goods, it is important to identify target markets and work on the most profitable of them. It becomes crucial to know the target audience and segment it according to various criteria. Continuous monitoring of the market changes and consumer research is required to be conducted constantly, the results of which should be considered in the process of making decisions both marketing strategy and business development strategy. The focus of the company has to shift from simply attracting new customers, to also retaining existing consumers and forming their loyalty. In this concept the use of integrated marketing is underlined, according to which all divisions of the company participate in collecting information about the needs and preferences of consumers. The actions taken in the framework of marketing 4.0 covered completely new areas that were not included in previous generations. In its assumptions, this concept takes into account, for example, changes in consumers' perception of the values resulting from the purchase of a given product or service, or the growing importance of the brand philosophy. The most important result of the emergence of additional factors was the formation of a completely new dimension of the relationship between the consumer and the brand. Thus, in marketing 4.0, buyers have become not only consumers, but also co-authors of the target product.

Marketing 4.0 proposes the businessman to concentrate on the web, while taking into account not only the customer as a personality, but the categories into which consumers merge as well. The difference between this association and the target audience is not significant at all: the firm defines the target audience separately, the parameter, which defines you as a member of the target audience, can totally not be caused by the customer's decision. For instance, age or gender. On the web, people merge into categories to their will according to diverse reasons: the same interests, the use of the same service, the presence of the same problems, and so on. Philip Kotler proposes to focus more on the associations since each one has internal degrees of trust, internal quality assessment systems and the credibility of opinion. These categories will help learn about the buyer more thoroughly and establish tighter connection with him, thanks to which the interaction of the firm and the consumer, stated in marketing 3.0., will be intensified.

Beside other topics, Kotler mentions that the interest in conventional advertising instruments and instruments declines. Nowadays, people stopped noticing annoying outdoor advertising or promotional videos on television and on the web. Therefore, the author offers to concentrate on the targeting of advertising and its appropriateness. Close communication with end consumers and building positive associations in the internet domain can considerably improve the situation. Messages conveyed through advertising campaigns must now not be simply unique, but they must be significant in consumers' eyes (Kotler et al. 2017).

In the new version of marketing, the author suggests focusing more on the internet and what opportunities it provides, searching for new ways to build relationships with the prospect consumers, preparing for the high dynamics of the market. Marketing 4.0 sets its major purpose in analyzing the outcomes of the life activity of the consumer's personality, and the influence of marketing actions in the organization goes up to one of the highest positions in each sphere. In Marketing 4.0, customer data collection plays the crucial role, and completely transforms the way people make purchases by focusing not as much on the needs of consumers, however, more expectations and behavior. This aspect of the marketing concept is further developed in other approaches including agile marketing capabilities, as internet marketing and marketing in social media provides for better flexibility, speed of reacting to consumer changes fast and being able to constantly be in contact with your customer (Kotler et al. 2021).

The major difference between marketing 4.0 and its previous version is the alteration in the research object. It used to be the consumer, his activities, personality, raising the significance of his functions in the aspects of the firm's activity. At the moment it is concentrating on the most significant spheres of the consumer's life, the implementation of the digital environment, a considerable focus on the consumer's environment, the change of an accent from analyzing the need to influencing it more and more, causing WOW effects and, what's more substantial, preparation for market dynamics. The activity of the market is going up with an unbelievable speed at the moment. The reason of it is free access and permanent growth on the internet technologies. Continuous evolution of marketing concepts, rapid digitalization and constant market change has created a need for creating and implementing new, more flexible approaches to marketing. In 2021 a new book was published by Philip Kotler concerning the further evolution of marketing principles in modern reality where the author introduces the new concept of marketing 5.0 which incorporates elements of customer-centric approach of marketing 3.0 and technologically driven marketing 4.0 (Kotler et al. 2021).

Concept of marketing 5.0 incorporates new main principles that are essential for business to survive and prosper in modern reality with widening generation gap, growing income inequality and digital divide and digital gap that emerges between those who believe in

digitalization potential and who do not (Kotler et al. 2021). We refer to the term digital divide as the gap between demographics and regions that have access to modern information and communications technologies, and those regions that don't or have restricted access. Amongst the five key elements of Marketing 5.0 described by Philip Kotler are : data-driven marketing, predictive, contextual, augmented marketing the agile approach to marketing (Kotler et al. 2021).

Thus, in this chapter we discussed the evolution of marketing concepts from traditional marketing, to marketing 4.0, and now to marketing 5.0, which incorporates a more customer-centric approach and emphasizes the importance of technology and data-driven marketing.

In summary, traditional marketing focuses more on functional characteristics and advantages of products, while marketing 4.0 expands its boundaries to a strategic perspective by shifting from the traditional approach to incorporating the digital domain into marketing strategies. The latest approach to marketing described by Philip Kotler in his latest book introduced Marketing 5.0 concept that incorporates elements of customer-centric approach of marketing 3.0 and technologically driven marketing 4.0 and emphasizes data-driven marketing, predictive, contextual, augmented marketing, and the agile approach to marketing. This new marketing concept should be studied and implemented by firms in the future for firms survival in modern rapidly changing market conditions and economic success.

The agile approach to marketing is emphasized by the authors to be essential for rapidly changing environment that the companies operate in. As short product cycles and connection to the net that leads to always changing consumer preferences who demand brands to always be online and in touch with consumers (Kotler et al. 2021) a more dynamic and adaptive approach to marketing principles is needed. Agile approach to marketing emphasizes continuous improvement and customer feedback, as well as the ability to quickly adapt to changes in the market. It is important to note that not all companies may benefit from adopting agile marketing principles, as it may be more suitable for companies with a fast-paced market and a need for constant adaptation.

Thus, the evolution of marketing concepts has been driven by the changing needs and expectations of consumers, as well as the rapid digitalization and constant market change. Traditional marketing has focused on functional characteristics and advantages of products which are not enough anymore with fast obsolescence of customer experience and saturated markets with competitors reacting fast to changes.

For that reason more recent marketing theories: marketing 4.0 and marketing 5.0 have expanded into a more strategic and customer-centric approach, with the latter emphasizing the importance of technology and data-driven marketing, incorporating agile approach to marketing, a more dynamic and adaptive approach that is suitable for companies with a fast-paced market and a need for constant adaptation.

This leads to deeper discussion of the agile marketing principles. It is important for us to give the definition of what is agile marketing, what its principles are and when and by what companies it is best used. Agile marketing in reality encompasses many principles that are described in marketing 4.0 concept, however taking a more dynamic and adoptive approach. We analyze the existing literature on agile traits of organizations and in particular works that concentrate on agile marketing principles to achieve our objectives.

1.2 Agile marketing concept and its advantages for firm performance

Today, new trends are challenging the old paradigm of doing business every day. The environment is evolving tremendously fast, customers have ever changing needs, new regulations are being imposed more and more often, investors demand growth and enhanced performance of the companies which leads to multiple acquisitions, restructuring and evolving. Digitalization is quickly transforming current business models including introduction of new technologies like artificial intelligence, internet of things, big data analytics that lead to automation and innovative use of models (Kotler et al. 2021) . The increased volume and availability of information requires organization to employ multiple communication channels and engage in complex collaborations with consumers and partners to stay competitive. Furthermore, as creativity and collaboration become more and more important, organizations need to have a distinctive value proposition to attract and retain the best talent on the market for distinctive new ideas and solutions (Aghina et al. 2018). Thus, companies have a need to shift from static models to become a living organism in order to keep up with rapidly changing environment and rapidly evolving consumer needs, partners and competitor's (Aghina et al. 2018). Authors argue that agile organization is becoming a new dominant organization paradigm for success.

Thus we need to define what is marketing agility and how can it be defined and identified by the companies.

The general idea of agility was presented for the first time by the Iacocca Institute (Nagel et al. 1992). After its report entrepreneurial climate began to alter faster. For that reason many producing firms became interested in the agile marketing. The difficulty of giving a definition to

the term “agility” consists in the fact that this characteristic of the firm has a great number of parameters to measure.

Agile represents a set of values and principles for project work, and whilst currently a popular business trend, it is not a specific method or technique - it encompasses a broader ideology. Therefore, in 2001, in Utah, USA, seventeen software developers compiled the so-called Agile manifesto, which was an alternative to the classical model. The manifesto contained only 4 ideas that defined the basis of the entire approach – the flexibility and adaptability of the business, the ability to respond quickly to changes and make edits to the project without wasting time and money (13th Annual State Of Agile Report).

1. People and communication are more important than processes and tools.

The main value of Agile is considered to be people, their uniqueness and irreplaceability, and this applies not only to customers, but also to employees of the company. Agile approaches are mostly founded on the notion of Douglas' theory of YMcGregor, according to which employees are motivated and ambitious, and in their work, they find a means for self-realization.

Agile approaches also involve working in small cross-functional teams that unite people who perform different roles and at the same time have T-shaped skills, that is, additional competencies in other fields of activity besides the main one. Thanks to this, employees are trusted to control their own work processes, based on the principle that they know how to do this work and are aware of their responsibility for the result (Hamel 2007).

2. A working product is more important than comprehensive documentation.

One of the disadvantages of the waterfall life cycle model was the increased attention to documentation, its large volumes and complexity. Agile is in many ways designed to shift the focus of the team's attention to the product itself and its quality, as well as compliance with customer requests, which is achieved through a series of tests and a review of the project by the customer.

3. Cooperation with the customer is more important than agreeing on the terms of the contract.

One of the principles of Agile states: "Throughout the project, developers and business representatives should work together daily."

Constant communication with the customer and the establishment of trusting relationships with him helps the team, firstly, to increase the level of his loyalty to himself, and secondly, to identify requirements as specifically as possible, identify shortcomings and jointly find ways to correct them.

4. Willingness to change is more important than following the original plan.

circumstances at any time, whether it is the desire of the customer or the fashion trend

Today, the environment in which any company or project exists is never permanent. Trends that yesterday represented some value for certain target audiences may already be irrelevant today. (Kotler et al. 2021). Therefore, Agile teams are aimed at solving this problem by reducing the time of work on the project and the ability to adapt to new circumstances at any time, whether it is the desire of the customer or the fashion trend.

Thus, with modern market dynamics agile ideology becomes relevant not only in software development^ but also in other spheres one of which is marketing (Kotler et al. 2021). Agile marketing approach as defined by Kartik Kalaignanam et al. , takes a more dynamic approach to marketing compared to more traditional and static marketing approaches. Agile marketing concerns different stages of product development and promotion that is more suited for present business reality, with rapidly changing economic landscape and rapidly evolving technical capabilities. After conducting a thorough research and multiple interviews with companies' representatives that are actively using agile marketing approach in their work, Kalaignanam and his colleagues came to the conclusion that agility is indeed the key priority nowadays for achieving the best marketing results. (Homburg et al. 2020).

A great example of a company successfully implementing the agile marketing approach is Zara, one of the companies from Inditex fashion group (Kotler et al. 2021).

We found multiple definitions of an agile marketing approach to marketing activities:

Agile marketing can be described as an instrument of flexible planning of marketing strategies.

Agile marketing can be described as the refusal of the classic long-term plans for the development and spending of the marketing budget on short periods within the project (iterations) and the ability to alter the strategy at any moment (Prahalad et al. 2012).

Philip Kotler et al. defines agile marketing in incorporating decentralized cross-functional teams for faster concepts generation, design, development, hypothesis testing and confirmation about a product and marketing campaigns (Kotler et al. 2021).

Marketing agility as defined by (Kalaignanam et al. 2020) is a concept that represents the extent to which business entity rapidly iterates between making sense of the market and executing marketing decisions to adapt to the market.

Analyzing these definitions we can draw out main elements of agile approach that appear in the formulation of the definitions. Thus, we can define these key elements: refusal of the classic long-term strategy and budget planning, implementation of projects (iterations), ability to change the defined strategy at any given time, decentralized work, cross-functional team work, faster process performance (concepts generation, design, development, hypothesis testing), rapid market sensing, rapid decision making, market adaptation.

There also has been developed a agile marketing manifesto first proposed by (Scott Brinker) that encompass these main ideas: fulfill customer demands with permanent control of the process and urgent removal of mistakes and iterations; Simplicity is the basis of everything (Appelo 2018); special attention should be payed to the organization of data collection and evaluation. It's essential to determine what indicators you will evaluate - the number of leads, sales volume, repeat orders, etc. (Dove 2001).

Indeed, Kalaignanam et al. 2020 in their research propose the following key concepts that build upon each other to create an agile marketing capability: sensemaking, iteration, speed, and marketing decisions (including speed and flexibility of decision making).

Sensemaking can be defined is a company's response to a sudden unforeseen or dubious development that involves noticing and recording the development, establishing a shared company understanding of the development, and attempting to create a more ordered environment to draw further conclusions (Maitlis and Christianson 2014, as sighted in Kalaignanam et al. 2020). Iteration means rapidly refining marketing decisions before implementing them (Kalaignanam et al. 2020). It has been identified by the scholars that speed is the key aspect of agility. When speaking about marketing agility, speed is defined by the researchers as the time to sense market changes, initiate action plans, gather feedback, and adjust marketing decisions to the situation (Kalaignanam et al. 2020). And the last key concept defined by the authors of the article is marketing decisions. These concept refers to the centrality of marketing decisions, for all areas of decisions to be agile, including budgeting decisions, advertisement and in other areas. Researches also came to the conclusion after conducting a series of interviews with company representatives that agile firms both pursue reactive and proactive decision making as well as restraining from action under certain circumstances (Kalaignanam et al. 2020).

Based on these definitions of marketing agility and the attributes of an agile company described in the literature we can devise a theoretical model and define criteria by which companies can be characterize as more agile and less agile to use this criteria for further research.

Wouter Aghina et al. in the McKinsey article (2018) outline five common characteristics of an agile organization that is bound for success. These characteristics may be applied not only to the organization as a whole, but to separate parts and departments. These include strategy, structure, processes, people and technology. Authors argue that in order for the company to successfully transition to being agile it should have shared purpose and vision among its employees and stakeholders, people should sense and seize opportunities across the whole organization. There also should be flexible resource allocation. Concerning the structure of the firm, teamwork is an essential part of any agile transformation. Company should have clear structure with people having clear accountable roles with hand-on governance and knowledge sharing. Rapid decision making

and learning cycles are as crucial for an agile approach: experimentation and rapid iteration of ideas, product features etc. is needed, teams have to be performance oriented, learning continuously while easily accessing information. Another trade mark of a successful agile entity highlighted in McKinsey article is that to achieve success with an agile approach, it is crucial to consider the human factor. Shared and servant leadership are ideal for such organizations, where individuals possess an entrepreneurial drive and collaborative responsibility, and therefore require direction. Lastly, utilizing advanced enabling technologies is emphasized as a critical factor for success. (Aghina et al. 2018).

We see the connection between some of these trademarks with the necessary organizational antecedents described by Kalaignanam et al. 2020 in their work regarding marketing agility. Thus, we can conclude that these trademarks can be attributed not only to an organization as a whole, but to the separate departments and functions. In particular, in relation to marketing.

Marketing technologies play crucial role in developing and sustaining marketing agile capabilities of the firm. In their research on marketing agility Kalaignanam et al. 2020 identified specific characteristics key to successful implementation of marketing agility. The first prerequisite they identified lies in the technological capabilities of the firm, specifically what technologies are used by the firm in terms of conducting marketing activities (Kalaignanam et al. 2020).

Data virtualization refers to the ability of the firm to access data from different sources, consolidate structured and unstructured data from these varied recourses into a consolidated, virtualized data representation for the decision making process (Demirkan et al., 2013). These characteristics also include the ability of the firm to capture and apply data from variety of platforms from social media and digital marketing environment to enhance marketing agile competences from studying the market to testing new ideas.

Another important characteristic is the tool used to analyze accessible data. Today, with the wide variety of numeric and non-numeric data being accessible it is crucial to find appropriate tools to be able to quickly analyze and make sense of the data. (Kalaignanam et al. 2020, p. 45).

The next antecedents of marketing agility defined in prior research are the right fit between the organizational structure and the culture adopted in the organization. The key prerequisite of firm's marketing agility coming from definition of agility as a concept in general is the autonomy of teams and the knowledge integration across the organization (Aghina et al. 2020).

The authors argue that cross-functional teams and a flatter organizational structure, where it is possible to distribute knowledge by function, are better suited for agile practices. However, coordination and control are necessary to track the progress of teams. According to Kalaignanam et al. (2020), the cross-functional team is the most appropriate unit to carry out Marketing

Agility (M.A.). Marketing is well-positioned to research and identify trends due to its broad scope, but adapting to those trends may involve multiple functional areas, such as manufacturing, supply chains, sales, and more. However, it is outlined that formal mechanisms for work and progress coordination are needed in place. Authors refer to these mechanisms as to periodic meetings of several teams (for example, “scrum meetings”) to ensure that teams while pursuing different immediate goals share at least one common long-term goal (i.e. firmness in marketing strategy). The authors suggest that informal coordination mechanisms, which involve organic, casual, and personal communication between members of different teams within an organization, may yield the most favorable outcomes.

Organizational culture also plays a crucial role in implementing agile practices. Marketing Agility (M.A.) emphasizes adaptation to the market through learning and innovation, and as such, it should embrace organizational learning (Hurley and Hult 1998). Research has shown that companies that prioritize learning and development are typically associated with higher levels of innovativeness. An agile marketing culture is best suited for an organizational culture that does not adhere to strict rules, procedures, or extensive planning and control. Instead, this culture embraces executing tactics despite incomplete information as a means of learning. Values such as speed, the acceptance of uncertainty and discovery, and an experimental mindset are also likely to be central to an agile marketing culture. Prior research also suggests that an agile marketing culture is relatively externally focused and relies on informal processes. Cultural artifacts such as quick stand-up meetings and open work environments, as well as terms like "sprints" and "scrums," also reflect the importance placed on speed and iteration in an agile marketing culture. (Kalaiganam et al. 2020, p. 48)

According to the previous research on marketing agility the traditional budgeting schemes of the companies are not suited well for the adaptation of agile marketing. These include yearlong strict budget plans, unable for modifications, the traditional process in which resources are often directed to achieving goals related to the channel, product and market, and they are not feasible. Authors suggest that the agile marketing budget should be aimed at linking resources to the specific goals (for example, increase brand awareness by 1%, increase retention by 5%) and the business value they create. A specific channel, product and market to achieve the goal must be tactical and formed during the process. (Kalaiganam et al. 2020).

One of the obstacles to pursuing marketing agility described in the literature is the inaccessibility of relevant and timely data (Kalaiganam et al. 2020, p. 45). As well as work with contractors can hinder speed and flexibility of marketing activities.

Thus, in evaluating firms readiness for transitioning to agile principles of marketing and when evaluating the success of MA implementation these areas in the company should be

examined: organizational structure, degree or readiness of implementation of cross-functional team work into working process, corporate culture, level of digital technologies used by the company for market and consume research and the budgeting procedures adopted.

1.3 Measuring companies marketing capabilities and marketing agility

1.3.1 Dynamic and adaptive marketing capabilities

It is extremely important to define metrics to be able to measure companies' marketing agility. Besides looking at marketing agility measurements we can analyze metrics used for measuring dynamic capabilities of the firms. As defined by Teece et al. (1997: p.516), dynamic capabilities are "capabilities to integrate, build, and reconfigure internal and external competences to address rapidly changing environments".

The concept of dynamic abilities was the development of a resource approach in strategic management. Its main purpose is to give dynamism to static structures of the resource based approach.

Dynamic abilities are a new definition in strategic management that have distinctive features from other organizational and managerial routines. They refer to an organization's ability to integrate, create, and reconfigure internal and external competencies in response to rapid environmental alterations. These abilities are necessary for a firm to review existing competencies and maintain and enhance competitive advantages in an altering business climate. (Burgelman 1983).

Dynamic abilities are determined as a firm's ability to integrate, create and reconfigure internal and external competencies in response to rapid environmental alterations. The ability to alter is the foundation of all dynamic abilities and consists of three elements: the basis for continuous changes, the ability to "formalize" these changes, and maintaining their potential. The most curious definition describing the essence of dynamic abilities is the definition by D. Teece, containing four organizational competencies or skills: regular processes of innovation and change management, business intuition to create new business models, schemes of making investment decisions, for example, determination of new markets, limitation of indefiniteness, risky investments, and orchestration competencies (Teece D. et al. 2009).

Dynamic capabilities allow firms to take advantage of environmental opportunities by detecting potential threats or opportunities arising from market conditions or technological advancements, responding to these changes by modifying their existing resources or acquiring new ones, and selecting the appropriate business model for delivering value to customers (Teece et al.,

2009). Dynamic capabilities can initiate an adaptation process that helps companies to balance their valuable, rare, inimitable, and non-substitutable resources (Berney, 1991) in order to achieve and maintain competitive advantage (Ngo et al., 2019).

Thus, taking into account the noted characteristics of dynamic abilities presented in the literature, we have formulated their distinctive features.

These include flexibility. For a quick response to environmental changes, an entrepreneurial structure must develop the ability to quickly recompose resources that will allow creating a product together with the consumer and under his requests.

Quality and costs. The flexibility of developing dynamic abilities does not mean low quality or high costs. The quality level of products or services must be high. The value for money should always be the focus of attention of both line managers and senior management.

Network of participants (stakeholders). To create a dynamic ability, the efforts of many participants are necessary, since no company in the world has the entire set of skills, knowledge, and abilities capable of creating a product together with the consumer and under his requests.

Complexity. The need for flexibility and constant decomposition of resources, as well as the management of a network of participants, can lead to another level of complexity of the business model.

Access to resources. Traditionally, companies have stocked up on resources in order not to experience interruptions in supply and production. In modern conditions, there is a need for access to non-traditional resources for the development of managerial abilities. In this case, resources such as knowledge and access to them hold the primacy.

Innovation. It is the main property of dynamic abilities, which in practice is often replaced by optimization. In a rapidly changing world, the limitation of traditional product innovations is that they are often reduced to a physical product, product or process. However, a product as an innovation is only one of the components of dynamic abilities that form a business model. More important is the "sale" of experience (knowledge), of which the physical product becomes a part. Innovation is the translation of an idea into a commercially realized innovation. y. Schumpeter noted that the success of a market system lies in the ability to implement dynamic changes in technology and achieve dynamic growth through such changes (Appelo 2018).

As almost all authors of the dynamic approach note, the better structured dynamic capabilities are, the more they contribute to company's effectiveness. The nature and justification of the micro-foundations of dynamic abilities are necessary to maintain a higher competitiveness of the business structure. The micro-foundations of dynamic abilities are specific skills, processes, procedures,

organizational structures, decision-making rules and procedures that underlie the abilities to recognize (sensing), use (seizing) and reconfigure capabilities.

There are essential elements that can be identified in creation of dynamic capabilities that should be assessed by the firms (Teece et al. 1997):

Recognition of opportunities, which represents analytical systems or individual abilities for searching, identifying, classifying, testing and choosing market opportunities (for instance, the identifying and development of new geographical markets by a firm);

Taking advantage of emerged opportunities. These are management structures, processes, models and motives developed to identify market opportunities and reflect them in the company's activities. Capturing opportunities involves acquiring resources and changing them to meet changing requirements. As an example of the acquisition of resources, new partners, local dealers, changes in traditional sales markets can be identified;

Threat management and transformation, which means constant adjustment and redistribution of tangible and intangible resources to maximize the benefits of market opportunities.

Dynamic abilities can be reduced to control over three types of processes: coordination and integration; learning; reconfiguration and transformation (Tambovtsev 2010).

1. Coordination and integration processes. The main purpose of integration processes is to ensure rational and effective coordination of resources and assets of the business structure. A distinctive feature of these processes is the re-processing of past strategic tasks known to an individual or a group of individuals. This property of integration processes can be designated as a replication ability, with the help of which an entrepreneurial structure can increase the efficiency of its processes. Replication capability contributes to the rapid and efficient growth of the company and quality improvement. However, the fulfillment of these conditions has limitations related to the business environment under study, namely, the magnitude of its uncertainty.

Using only financial indicators in advance impoverishes the system. As a result, we propose to use indicators such as advanced technologies and innovations. The expenses of the consolidated budget for the development of business structures and the financial component are considered only as one of the significant groups. At the heart of this dynamic ability is the ability to interact and balance, which makes it possible to identify possible deviations in a timely manner (Teece 2009).

2. Alliance portfolio management. The main motive for forming strategic alliances is access to new valuable resources and competencies, a global network of resources. As Prahalad and Krishnan note, the most important principle of business transformation is not ownership of resources, but access to them obtained from numerous suppliers (Bower 1970). Business transformation affects all types of activities, both traditional and new.

The reduction of operating costs, expansion of geographical markets, risk management and environmental uncertainty are important in partnership in conditions of resource scarcity. At the heart of this dynamic ability, it is advisable to single out the procedures for selecting partners depending on trust, fulfillment of obligations, complementarities, income and complementary competencies developed jointly by them, if possible, to overcome internal restrictions on the use of resources.

3. Managing the value network of stakeholders. The network of stakeholders is considered as a contradictory whole, whose interests determine the trajectory of the development of the entrepreneurial structure. The value network that surrounds the structure complements and enhances its own resources. The elements of the value network are suppliers, competitors, credit institutions, the state, public organizations, etc. The dynamic ability associated with the creation and management of a value network can become an important source of competitive advantages. When developing this ability, it is necessary to know how effectively we use suppliers and customers, whether we get competitive advantages from communication with them (speed of delivery, reduction of inventory maintenance costs, logistics, outsourcing).

4. Management of best practices. This dynamic ability, like no other, has traditionally developed techniques and procedures that are most effectively expressed in the methodology of comparative analysis, or benchmarking. This ability can be expressed as the dynamic ability of an entrepreneurial structure to search for the development of reference values (Teece et al. 1997). To create competitive advantages, special resources are needed that have such characteristics as: cost stability, scarcity, difficulty of imitation and substitution. If these resources are also properly combined, then the business structure receives stable competitive advantages.

However, the notion enhanced marketing capabilities was introduced by Day (2011). After recognizing a gap in marketing capabilities between the resources available and those required, Day (2011, p. 188) suggests improved marketing capabilities, which he refers to as "Adaptive Marketing Capabilities." These capabilities involve vigilant market learning, adaptive marketing experimentation, and open marketing.

These capabilities are closely related to the agile marketing concept described in the literature, thus it is important to distinguish between the different concepts.

Vigilant market learning involves a firm having an elevated state of awareness, characterized by curiosity, alertness, and a willingness to act on partial information (Day, 2011, p.188).

Adaptive experimentation involves taking risks by running small experiments and accepting the potential monetary loss in order to understand consumer expectations. It requires an organizational culture that allows for learning from failures and normalizes experimentation. (Day, 2011, p. 189)

Open marketing refers to marketing in an open system of counter agents, not limited to a single advertising agency, but rather a whole network of multiple marketing agents with different competencies who provide promotion (Day, 2011, p.188).

The benefits of this approach include: access to a wider array of informed talent and new capabilities; richer and more varied micro-level responses; and an extended periphery that brings new insights back to the company.

However, even though there are many similarities including market sensing capabilities, attributed importance of flexibility and others these approaches to marketing capabilities (both dynamic and adaptive) differ in some ways from the concept of Marketing agility. According to Kalaigaman et al. (2021), Marketing agility (MA) distinguishes itself from adaptive marketing capabilities due to its unique combination of characteristics, including speed, iteration, sense-making, and marketing decision-making. Although both approaches share the common goal of creating customer satisfaction, gaining a competitive advantage in the market, and making appropriate marketing decisions, they also have distinctive features.

Overall, the concept of dynamic and adaptive marketing capabilities can contribute to more agile corporate approaches that will serve as sources of competitive advantages. A firm's marketing flexibility and agility can be improved by developing firm's dynamic and adaptive capabilities, as they allow for a quick response to environmental changes, access to new resources and competencies, and the management of a network of stakeholders.

1.3.2 Measuring marketing agility

To determine how marketing agility really affects company's performance it is extremely important to be able to measure the degree of company's agility.

The research proposes multiple agility measurement techniques including agile adoption framework, Objectives-Principles-Strategies framework, agile enterprise survey, agile maturity self-assessment survey, Borland agile assessment, lean enterprise self-assessment tool, large scale scrum framework and others. (Mike Hoogveld, John Koster, 2016).

There are diverse kinds and styles of agile measurement methodologies. They differentiate from each other by the object in many cases. For instance, the object of some methodologies is product development and others analyze supply chains or separate entrepreneurial organizations. The object can include both business environment and inner life of the firm or only inner life of the firm. Besides, only qualitative or both qualitative and quantitative measures can be involved in the research. One more factor influencing the differentiation of methodologies is the result itself. It exists in two shapes: multiple parameters and general parameter representing various characteristics in it.

There has been developed an approach that aids to measuring the degree of agility and overcomes multiplicity of the term. (Dove 1995)

It encompasses four parameters that aid in evaluating how firms react to changes:

- cost;
- time;
- robustness;
- scope (Dove 1995) (Dove 2001).

Here optimal cost means rational, optimal time is the shortest. Robustness means that the firm's quality outcomes do not require permanent control after making changes. Scope represents the quantity of change which can be achieved further.

One more approach is Hewlett-Packard agility assessment (HP 2005) determines the firm's agility with the help of such factors as speed, range and ease. The approach is used in manufacturing and service sectors and most often it is implemented in information technology sphere.

Among the approaches which use only one kind of processes to determine the firm's agility is the one created by Sieger et al (Sieger et al. 2000). It solely takes into account time demanded on product development cycle.

Lomas et al. (Lomas et al. 2006) elaborated the approach measuring the firm's agility through the key agility index. It represents the ratio between the time spent on activities connected with changes and the time spent on the project in general. The lower this index the higher the firm's agility would be. The specificity of the approach consists of its application area. It is advisable to use the approach with respect to projects of one firm or projects in similar spheres. The reason for the limitation of application is the difference between the fluctuation degrees in different spheres. There have been created some approaches to agility assessment in particularly IT sphere. For instance, Caswell and Nigam (Caswell et al. 2005) suppose that the company's agility has to be measured through the size of the gap between the IT structure and the structure of other parts of the company.

Approach to agility measurement in IT based on the usage of fuzzy logic assesses the speed of project accomplishment. The necessary parameters are technical complexity, programmer capability and software-testing requirements (Kurian 2006). Mentioned approaches were designed for IT, so their implementation in producing companies is narrow and they do not consider the influence of business environment fluctuation.

One more widespread field for measuring agility is supply chain. A well-known model includes four parameters to define the level of agility:

- customer sensitivity;
- virtual integration;
- process integration;
- network integration (van Hoek et al. 2001).

To evaluate parameters, a selection of questions and a Likert scale are usually applied. This approach describes the whole company, however, there are some that refer to a producing unit.

There exist many others approach to measuring agility, however, based on the analysis of the identified existing 52 principles of measuring agility in the organization, Objectives-Principles-Strategies framework (OPS) was defined as the best-suited method for adaptation to an Agile Marketing Model, meeting all quality criteria sufficiently, well or fully (Soundararajan, S. 2013). Thus, this approach could be adopted to measuring marketing agility of the companies in the further research. The authors have developed an approach to determine how capable an organization is in providing the supporting environment to implement an agile method, and to determine how effective the implementation of the agile method is in achieving its objectives (Soundararajan, S. 2013). Thus, this approach is the most suitable for our further research of implementation of marketing agility on the Russian market.

As we are using this framework as the basis of our MA evaluation model, we need to define this approach to measuring MA in a more detail.

The Objectives-Principles-Strategies (OPS) framework can be used to analyze and measure marketing agility. This framework emphasizes the importance of setting clear objectives, defining guiding principles, and developing flexible strategies that can adapt to changing market conditions (Pettit & Harris, 2018).

The OPS framework offers a thorough assessment process for organizations that have adopted agile methods. It evaluates the people, process, project, and product characteristics to determine an organization's capability to provide a supportive environment for implementing agile methods. It also measures the effectiveness of the implementation in achieving its objectives (Mike Hoogveld, John Koster, 2016).

To measure marketing agility, it is important to consider both quantitative and qualitative metrics. Quantitative metrics may include measures such as speed to market, response time to customer feedback, and product development cycle time. Qualitative metrics may include assessments of customer satisfaction, brand perception, and overall market share.

The Objectives-Principles-Strategies (OPS) framework offers a comprehensive assessment process for organizations that have adopted agile methods. It evaluates people,

processes, projects, and product characteristics to determine an organization's capability to provide a supportive environment for implementing agile methods.

The OPS framework identifies the objectives of the organization's agile adoption, such as increasing productivity or improving product quality. It then specifies the principles that the organization must follow to achieve these objectives, such as continuous improvement or customer collaboration. Finally, the framework outlines the strategies that the organization should use to implement these principles, such as adopting specific agile practices or using certain tools and techniques.

Thus, by using the OPS framework, organizations can identify areas for improvement and ensure that their agile adoption effectively achieves its objectives. In addition, by using the OPS framework and measuring marketing agility, organizations can better understand how to respond to market changes and customer needs, and develop strategies that are more effective and efficient. Therefore, we can use this framework as a basis for evaluating the degree of firm's marketing agility for purposes of our research.

1.3.3 Measuring firm performance

To be able to analyze the relationship between marketing agile practices and the firm performance it is necessary to define performance measures. In this part we will focus on indicators of firm's operational and financial performance, as it has been linked to successful agile implementation. (Aghina et al. 2020).

According to McKinsey research, companies that have successfully implemented agile transformation use a unique set of metrics to determine its effectiveness, which varies depending on their business sector and type of consumer. Aghina et al. suggest that these metrics can be divided into several categories, including customer satisfaction, operational performance, and financial performance (Aghina et al. 2020).

This broad approach to firm's performance will give us a more comprehensive picture. Kaplan and Norton (2001) suggest, utilizing a balanced scorecard methodology that incorporates both types of measures (financial and not financial) can assist organizations in achieving their strategic goals by offering a more comprehensive view on performance.

Amongst the indicators of operational performance the most common and important are the following:

Market share growth is a performance indicator that measures the increase in a company's market share over time. According to Kotler and Keller (2012), market share is the percentage of total sales in a market that is held by a particular company or product. Market share growth is an

important indicator of a company's competitive position within its industry, as it reflects the company's ability to capture a larger share of the market compared to its competitors.

The growth of relative market share compared to competitors is an operational performance indicator that measures the increase in a company's market share compared to its competitors over time, as defined by Kotler and Keller (2012). This indicator is important because market share growth reflects a company's ability to capture a larger share of the market compared to its competitors, which can lead to increased profits and long-term success.

"Attracting new customers" is important because it reflects the company's ability to expand its customer base and increase sales over time. Attracting new customers is a non-financial measure that can help a firm achieve its strategic goals by ensuring continued growth and success over time (Kaplan et al. 2001).

"Increased sales to current customers" is an important indicator, as retaining customers is typically less expensive than acquiring new ones, and increasing sales to existing customers can lead to increased profits over time. According to a study by Reichheld and Sasser (1990), increasing customer retention rates by just 5% can lead to an increase in profits of between 25% and 95%.

The "Number (share) of successful new products" is an important indicator, as it reflects a company's ability to innovate and create value for its customers, which can lead to increased sales and long-term success. According to a study by Cooper (1993), successful new product development is critical to a firm's long-term success, as it can help the company maintain a competitive edge in the marketplace.

"The success of bringing new products or services to the market" is an operational performance indicator that measures how well a company performs in introducing new products or services to the market. This KPI is important for businesses as it reflects their ability to innovate and cater to the changing needs and preferences of their customers.

The Time required to bring new products to market is an operational performance indicator that measures the speed and efficiency of a company's product development and launch process. This KPI is important as it can help businesses stay competitive by reducing the time it takes to bring new products or services to market.

Speaking about financial performance indicators, the most commonly used are:

Revenue is an important factor of firm performance because it indicates the amount of money a company generates from its sales and operations. It serves as a measure of the company's financial health and its ability to invest in growth and innovation. Revenue can also affect a company's ability to attract investors and access financing. According to a report by Deloitte, revenue growth is one of the key measures of success for companies. It is also

important to note that revenue does not encompass profitability or cash flow. However, revenue growth can often be indicative of a company's ability to generate profits and manage cash effectively.

Earnings before interest and tax (EBIT) is another crucial indicator when evaluating firm's financial well-being. EBIT helps investors and analysts understand a company's operational efficiency and profitability compared to competitors in the same industry. It also provides insights into the company's ability to generate earnings from its core businesses, which is important for long-term growth (Galleher P. 2020, Forbes).

Profit is an important indicator for assessing firm performance as it indicates firm's operational efficiency (Houston 2023, Forbes). Profitability is a key metric that can help determine the efficiency of business operations. It indicates how much profit is earned per sale after accounting for expenses. Higher profitability typically indicates that the operations are running smoothly and efficiently, while lower profitability may suggest issues with either operations or pricing strategies that need to be addressed (Houston 2023, Forbes).

There are also many financial ratios that can be used to assess a firm's financial performance, however some of the more commonly used ratios include profitability ratios. These ratios measure the firm's ability to generate profits from its operations. Some of the commonly used profitability ratios include gross profit margin, net profit margin, return on assets (ROA), and return on equity (ROE).

Another important indicator of financial performance is "net profit margin". Net profit margin is an important indicator as it demonstrates a company's overall financial health and its ability to generate profits over the long term. Additionally, investors and analysts use this metric to compare the profitability of companies within the same industry and to assess a company's financial performance over time (Investopedia). High net profit margin is especially important for small businesses because they may have limited resources and need to maximize profits to stay afloat (Khorrami, 2021).

Furthermore, the net profit margin can guide decision-making and help identify areas where a company can improve efficiency, reduce costs, and increase profitability.

Thus, these performance outcomes can best serve for evaluating firm's operational and financial performance.

1.3.4 An overview of the economic situation in the country

Uncertainty the business is facing elevates the urgency to define the characteristics of changing marketing models and business strategies.

The changing market conditions forced many companies in Russia to adapt their business practices. The Covid-19 crisis has not only had significant effect on people's social lives, but also

largely impacted the state of global economy (The economic development within recent crises, Statista 2022). Started in the first half of 2022 the war in Ukraine has contributed further to the ambiguity in the global economy, resulting in an extensive humanitarian crisis and a large increase in inflation rates all over the world (The economic development within recent crises, Statista 2022).

Thus, the crisis of 2020-2021 had a significant impact on the market, followed by special military operation (SMO) that also had negative effects on the economy worldwide and in Russia. Research conducted by the World Bank during the Covid-19 pandemic found that 71% of firms in Russia experienced a decrease in demand for their products or services (World Bank Enterprise Surveys Follow-up on COVID-19). Small and medium-sized enterprises (SMEs) were particularly affected. Although food producers and certain retailers were the least affected, all sectors experienced a decline in demand, and the prevalence of this trend was still concerning (52% of food producers in Russia experienced a drop in demand).

However, according to the World Bank enterprise survey, Russian firms demonstrated a higher level of flexibility compared to other European countries.

Nevertheless, almost all industries were negatively affected, but there were those that were damaged more than others.

One of the industries that were most severely affected by the pandemic was the tourism industry in Russia. According to the Russian Federal Tourism Agency, the number of foreign tourists visiting Russia in 2020 decreased by 80% compared to the previous year, while the number of domestic tourists decreased by 25% (TASS 2021).

The hospitality industry, including hotels and restaurants, was also heavily impacted by the pandemic. According to the Russian Hotel Association, the hotel occupancy rate in Russia during the pandemic period was around 30-35% (Interfax 2021).

The retail industry was significantly impacted by the pandemic, with many non-essential shops temporarily closed due to the lockdown measures. Moreover consumer spending declined by 11.5% in 2020 compared to the previous year.

However, the economic crisis that began in 2020 due to the COVID-19 pandemic has yet to come to an end for the Russian economy. Unfortunately, the situation has continued to deteriorate since March 2022.

The first half of 2022 was marked by a significant number of sanctions imposed on Russia due to its military actions in Ukraine. Throughout the year, nine packages of sanctions were introduced, totaling more than 10,000. Russia has now surpassed countries such as Iran, Syria, and North Korea in the number of sanctions imposed. The most concerning aspect is that many of these

sanctions have significant limitations. It is necessary to analyze the current situation in the country in more detail, taking into account the prevailing conditions.

Currently, numerous experts and analysts are engaged in investigating and analyzing the condition of the economy, markets, and strategically significant industries. Assessments of the efficacy of state decision-making measures, as well as the implementation of economic policies, are documented in periodic reviews, articles, and monographs (Ajdiev 2022).

The challenging economic conditions and geopolitical crisis have had a significant negative impact on the country's economic development. Sanctions have increasingly become a tool for exerting global political influence in recent years. Economic policy takes precedence in this regard and employs various methods to weaken particular countries. The sanctions have primarily affected the industrial, energy, metallurgical, and trade sectors. In recent years, there have been significant changes in the energy markets, which have created opportunities for the emergence of new technologies, but also new risks. These changes have given the globalization process a unique perspective. (RBC. How the record fall of the Russian market took place and what will happen next 2022).

The economic crisis of 2022 in Russia had a significant impact on various business spheres. The automotive industry was one of the most severely affected by the economic crisis. According to a report by the Association of European Businesses, car sales in Russia fell by 25% in 2022 compared to the previous year (Association of European Businesses, 2022). This decline in car sales had a ripple effect on the entire automotive industry, with many car manufacturers and suppliers facing financial difficulties.

New conditions dictate immediate changes in the very structure of the country's economy, energy and technology. These changes occur due to the development of scientific and technical solutions, improvement of socio-economic relations. The development of socio-economic relations is based on the compatibility of technologies characteristic of a particular level of production development, forming and defining systems of technologically coupled productions and creating the basic level of benefits in society. The most difficult issue here is the time and duration of the sanctions, as they are adopted for an indefinite period (RBC. How the record fall of the Russian market took place and what will happen next 2022).

But in addition to sanctions, the coronavirus pandemic had a negative impact on most areas of industry and economy, which literally made serious adjustments to the development of the country's economy in a short time. These circumstances had a negative impact on the activities of most large industrial enterprises. Next, it is worth studying in more detail the prerequisites of the economic crisis within the framework of the pandemic period and the period of sanctions.

Before the pandemic period, issues related to the onset of the global economic crisis began to be discussed more often in the community of experts. It was about 2020-2021. The reasons were connected with instability in world trade, with the aggravation of politics in a number of countries, with the trade war between China and the United States, and many others. But at that time, no one knew what could become the so-called "destructive force". Epidemiologists have been anxiously discussing possible problems with global pandemics after 2015, but due attention has not been paid to this. Confirmation of the fears was the outbreak of the epidemic. The beginning of 2020 is the beginning of a pandemic for a new infection called Covid-19 (coronavirus). This was the beginning of a new crisis, when borders were rapidly closed, when the production of a huge number of goods stopped. In March 2020, there was a collapse in oil prices, which served as a kind of shocking action for many countries. Figure 1 shows a graph of changes in oil prices, starting from February 10 to March 18, 2020, when the price of Brent oil fell below \$25 for the first time since May 2003.

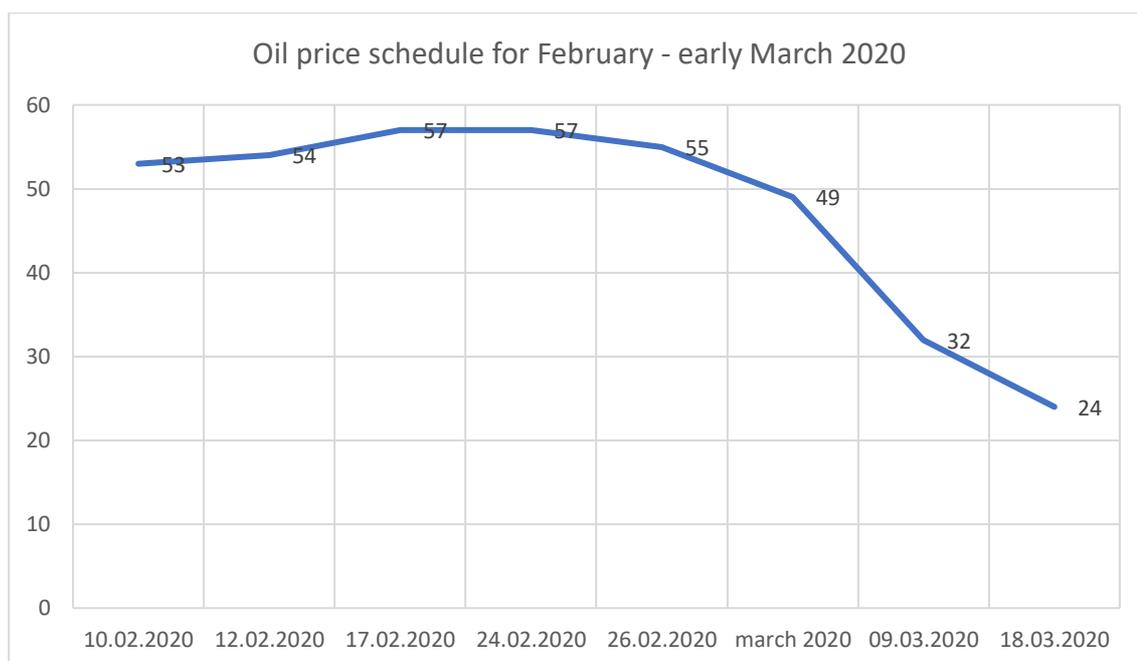


Figure 1 – Oil price chart February-March 2020 (USD)

In the global aspect, the economy has suffered a double blow. During this period, the forecasts were disappointing. They assumed that the volume of global GDP would decline by the end of 2020. From table 1, presented below, we can see that according to the forecasts of international organizations, the indicators are very moderate. This concerned with the growth of world GDP and the growth of world trade.

Table 1. Forecasts of the development of the world economy

International Organization/Company	Projected global GDP growth,%		Projected Global Trade Growth,%	
	2019	2020	2019	2020
MVF	3	3,4	1,1	3,2
WorldBank	2,6	2,7	1,5	1,2
VTO	1,2	2,6	2,6	3
UNCTAD	3	3,5	4	4,9
OECD	2,91	2,94	1,2	1,6
Barclays	3,1	3,2	-	-
CreditSuisse	2,5	2,5	-	-
GoldmanSachs	3,1	3,4	-	-

Analyzing the current situation in the world, we can say with confidence that in addition to the pandemic, it has been seriously complicated by the geopolitical crisis, sanctions and the confrontation of world powers (The picture of business activity for April 2020 from the Ministry of Economic Development of the Russian Federation).

Sanctions on Russia were imposed by different countries and regions. Often they echoed each other, and sometimes they had differences. In total, there are about fifty countries that took part in the imposition of sanctions. In Russia, they were called "unfriendly" at the legislative level. Together, these countries produce about 60% of global GDP, and so many G7 countries, which are the main drivers of sanctions – about 45% of global GDP. Russia produces 1.7% of the world's GDP. This is founded on the outcomes of 2021. Thus, 60% of the world economy united against 1.7% (Ajdiev 2022).

Most of the sanctions against our country for the entire period were imposed by the United States. Their number was 2,200. And if we take specifically only 2022, then these are Switzerland and Canada. But it is worth saying that Russia also imposes sanctions on "unfriendly" countries. The number of such sanctions exceeded 8000 (Ajdiev 2022).

Most foreign enterprises and companies have closed their economic cooperation with Russia. At the same time, there were not even direct legislative acts. They were guided by reputational decisions and considerations, and were also afraid of being re-subjected to additional sanctions. Speaking about the economic situation in our country in 2022, it is worth saying that it has entered a recession phase or in other words, a recession. At the end of last year, the decline in GDP was equal to 2.5-3% according to various forecasts. Thus, on the graph of Figure 2, it is possible to trace the dynamics of GDP quarterly (The picture of business activity for April 2020 from the Ministry of Economic Development of the Russian Federation).



Figure 2 - GDP Dynamics by Quarter

Next, Figure 3 shows the dynamics over the years from 2011 to 2022.



Figure 3 - GDP dynamics by year (billion rubles)

Based on the data in Figures 2 and 3, it can be concluded that the sanctions of 2022 negatively affected country's GDP. Analyzing the forecasts for 2022, it is evident that GDP was supposed to fall by 9-15%. But in the end results were better than expected. Experts of the world community in the economy predicted worse indicators against the background of the military conflict, it was about a decrease in business activity in Russia (RBC. How the record fall of the Russian market took place and what will happen next 2022).

Now it is worth mentioning the GDP forecast for 2023-2025. It is also formed under the influence of such indicators as inflation, the key rate, the ruble exchange rate. It looks like this:

- 2023 in rubles will amount to 149.95 trillion rubles.
- 2024 – 159.714 billion rubles, 6.51% more than in 2023;
- 2025 - 170.598 billion rubles, or 6.81% more than in 2024 (Agile for business).

In other words, if the economy is projected to decline by 0.8% in 2023, then the authorities seriously expect economic growth above 6.5% per year for the next years (Figure 4).

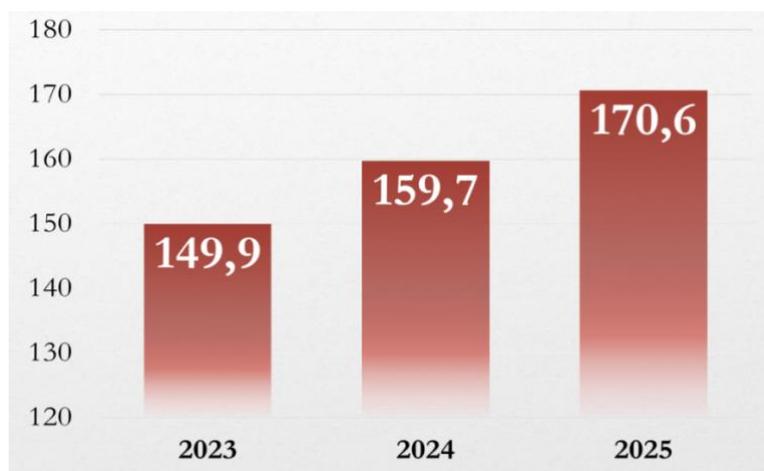


Figure 4 – GDP forecast for 2023-2025, trillion rubles.

The sanctions mainly affected the sphere of entrepreneurship. They hit both the largest manufacturing enterprises and private businesses. Russian entrepreneurs have suffered huge losses due to the emerged deficit of foreign supplies of a large number of goods. On the part of foreign partners, the export of products from Russia was closed, and a number of countries stopped supplying oil. The emerging crisis situation in the economy has led to high inflation, the prices of goods have greatly increased, the purchasing power has fallen. All this has seriously affected the advertising market (RBC. How the record fall of the Russian market took place and what will happen next 2022).

To date, the state has developed a number of programs and strategies to increase opportunities and support small and medium-sized businesses in the current conditions. We are talking about tax breaks, moratoriums on inspections, credit vacations and other benefits. The main task of the Government of the Russian Federation for 2023 was to create a favorable ground for the successful development of small companies (The picture of business activity for April 2020 from the Ministry of Economic Development of the Russian Federation). Medium and large enterprises now have the opportunity to expand production volumes within the Russian market, as well as to increase the number of consumers by expanding the sales market. Small and medium-sized enterprises in the current conditions now have the opportunity to receive sureties and guarantees under specially developed programs in the absence of collateral from the business. Also, the calculation of penalties has now changed, debt restructuring has taken place instead of bankruptcy. The blocking of accounts was suspended for enterprises and anti-crisis programs of preferential lending were developed.

In addition to the above, opportunities have expanded, for example, for companies that manufacture iron components, since many niches have been freed up due to sanctions that require the supply of iron and iron components.

Most areas of business and entrepreneurial activity in early March faced difficulties associated with a number of restrictions or the complete blocking of some advertising platforms. We are talking about such popular networks as Instagram and Facebook. There were serious problems with logistics.

Almost all companies, without exception, had to switch to new methods of Internet marketing in order to carry out Internet marketing activities and generate traffic flows with characteristics that are valuable for classical business as traffic consumers (Industriev et al. 2022).

Thus, after overviewing the market we can confidentially consider it is dynamically changing and highly volatile, with unpredicted future trends and economic climate with Russian-Ukrainian conflict adding to the volatility risk of the market (Fang Y. et al. 2022).

Thus on such uncertain and volatile market it has become important to adhere to the ability to adapt to constantly changing market conditions. It appears to be one of the significant factor in running business in the current conditions and sanctions. The success of a marketing campaign is largely based on timely decisions and reactions to changes in the professional environment. The Agile marketing principles are gradually replacing classical marketing approaches, forced by market conditions. This topic is still new and poorly studied for the Russian market. Such marketing involves flexible planning, flexible marketing methods, experimental solutions and rapid response to market requirements that can help the business in the current conditions.

For small and medium-sized enterprises in Russia, Agile marketing would be advisable to use in order to quickly respond to changing external and internal conditions. Moreover, many enterprises carried out the supply of goods abroad before the sanctions. In the field of small business, it is possible to implement the Agile method with the least cost, but at the same time the visible result will be obtained much faster than in the case of traditional marketing campaigns (The Chamber of Commerce and Industry warned about the risk of ruin of 3 million entrepreneurs due to the virus 2020).

1.4 Research questions and methodology

1.4.1 Research questions and assumptions

After thoroughly analyzing literature on different approaches to marketing including more traditional practices and more adaptive ones that are more suited for modern economic landscape, literature on different firm's adaptive capabilities that can be used to better react to market conditions we formulated number of assumptions.

Research questions and assumptions formulated on the basis information retrieved from the literature and on the basis of the research goal:

Assumptions:

1. Perhaps companies in Russia already resort to flexible marketing practices intuitively, without defining their actions as an agile approach.
2. A high level of awareness of the concept of agile in general in relation to business and in particular in relation to marketing can be a new source of competitive advantage in Russian companies especially during times of high economic uncertainty.
3. There are limitations with regards to using marketing agile approach. Company needs to have special prerequisites to successfully implement marketing agility. These include company size, organizational structure, organizational culture and others.

Research questions posed:

4. How can we measure the degree of marketing agility used by Russian firms?
5. What elements of marketing agility defined by the previous research have the most effect on the Russian companies' performance on the local market: customer satisfaction, operational performance and financial performance?
6. Do companies that use a more agile approach to marketing generally show a better performance results especially during times of economic uncertainty (in 2014 and in 2020): customer satisfaction, operational performance and financial performance?

1.4.2 Research methodology

To test the assumptions formulated and questions posed, the sequential transformative mixed method of research design was chosen. This strategy is used to employ the methods that best serves the theoretic perspective of the research (Creswell 2003).

Both the qualitative and the quantitative methods of the research will together strengthen the outcomes of the study (Creswell 2009), allowing us to check the assumptions formed from analysis of the existing literature. This approach allows for collection and analysis of qualitative data first followed by the analysis and interpretation of the quantitative data. The results of the respective analysis are then merged during the interpretation phase of the research (Creswell 2003). We will use one of the research designs defined by David Morgan. The core of this research paper will be qualitative research with the follow-up quantitative extensions (D. Morgan 2014).

The aim of the qualitative research is to get the in-depth understanding of an examined phenomena and to uncover underlying reasons and motivation behind certain behaviors, attitudes and beliefs. Qualitative research is often focused on generating new insights and theories based

on the data gathered through one of the qualitative research methods (Merriam, S. B 2016). Qualitative methods include interviews, focus groups, case studies, content analysis, thematic analysis and grounded theory and narrative analysis (Creswell et al. 2018).

The main purpose for combining methods in our research is to provide additional coverage (D. Morgan 2014) of the information retrieved from the qualitative research that is aimed at testing the formulated assumptions, defining the altitude towards of MA, internal motivations for Russian firms and degree of MA implementation with additional data gather through quantitative research on MA effects on firm's performance.

The expected result of using the combination of methods is a more complete understanding of both the altitude toward Marketing Agility by Russian firms and their key intrinsic motivations and the effects of MA implementation in particular key elements of MA on company's performance than the one could have been achieved by one type of data alone (D. Morgan 2014).

For the purposes of this research qualitative analysis using interviews was chosen. As this research may have an exploratory nature, due to the lack of scientific research on the topic of agile marketing in the Russian context, qualitative research using in-depth interviews will allow us to discover deeper insights about the topic and receive a local business perspective on the topic of agile approach to marketing practices. In particular, in-depth interviews will allow us to more profoundly understand company's attitude toward agile marketing and will allow us to test formulated assumptions and consequently answer the following questions:

1. Does a high level of awareness of the agile concept in general in relation to business and in particular in relation to marketing provide a new source of competitive advantage in Russian companies?
2. Do companies already resort to flexible marketing practices intuitively, without defining their actions as an agile approach?
3. What is the key motivation behind implementing a more flexible approach to marketing?
4. What limitations exist with regards to using marketing agile approach in Russia?
5. Do special prerequisites to successfully implement marketing agility defined for foreign companies apply to Russian business? These include company size, organizational structure, organizational culture, approach to strategic and budgeting planning.

In our qualitative part of the research we steel needed to quantify the degree of MA used by the companies, to better assess the results of our interviews. Thus, to measure the degree to which the companies that were interviewed use agile approach to marketing we adopted a list of questions concerning each essential constitute of MA concept including speed, sense making, experimentation capability and speed that was constructed based on the description of MA and

its main principles found in the literature. These questionnaire was given to the respondents to quantify the results, match them with the responses received during the interview and to try to measure the degree of agility.

These questions form 4 factors that represent the essential elements of MA defined in the literature (Kalaiganam et al. 2020). However, to come to conclusions we need to verify the factor structures that were assumed based on the previous research, as these characteristics of factors are based on the cases of foreign companies and implementation of MA on the foreign market.

Quantitative research will allow us to present data in statistic mode, using structural equation models that include causation and allow us to identify the collective strength of multiple variables (Creswell 2009). Quantitative approach will allow us to test the relation of independent variables to dependent parameters.

To test the factor structure we took the data collected by the GSOM research center for Strategic Marketing and Innovation in one of their studies conducted in the beginning of 2022. T

The study included questions on the effects of Covid-19 crisis on companies' performance as well as their reaction to market changes and their approach to marketing. The study was conducted on 218 Russian enterprises of different sizes and from various industries.. Using the numerical data received from the study we will test the factor structure using statistical methods such as exploratory factor analysis and then conducting confirmatory factor analysis using IBM SPSS and IBM SPSS Amos software.

Analysis of the data received from this survey provides us with an opportunity to verify a theory developed in the western economies and to generalize some previous findings on the effects of MA on firm performance, in particular on operational performance, financial performance and customer satisfaction, formulated based on the McKinsey study of successful agile practices (Aghina et al. 2020).

Chapter 2 Qualitative analysis with in-depth interviews

2.1 Chapter summary

In this chapter we describe the algorithm and the process of analysis of qualitative data collected during the research process. As the method for gathering information in-depth interviews were chosen and thematic analysis was selected as the method for data analysis. The structure of the questionnaire and the questions for the interviews were constructed on the basis of Objectives-Principles-Strategies framework (Mike Hoogveld, John Koster 2016) for measuring MA incorporated the evaluation of the four main elements of MA which included: sensemaking, iteration, speed, and executing marketing decisions. (Kalaiganam et al. 2020)

And the evaluating of necessary company antecedents for successful implementation of MA which included the degree of using digital technologies for market research and for operations, company's culture and structure, and its budgeting strategies.

The analysis was conducted using thematic analysis, where themes were created and the data was coded according to the created themes. These themes in turn incorporate subthemes or codes which gathered together provide interesting insights. A more deeper explanation of themes and codes with examples of quotes from the interviews can be found in table 2 of this chapter. Key main findings and takeaways of thematic analysis can be found in table 2.

Table 2 Summary of insights gathered through thematic data analysis

Questions posed during interview analysis	Emergent themes	Key takeaways
Are companies that we interviewed aware of MA concept?	Awareness and perception	Nine of ten companies were to some extent acquainted with the notion of agile marketing, however not fully
What is the altitude to the agile approach in general in Russian companies we interviewed?	Awareness and perception	Companies had a positive attitude towards the agile concept and all agreed that it is necessary for enhancing effectiveness of the firm
What was the motivation for using or not using MA approach?	Need for MA	Key motivation factors outlined were: External economic and political factors
To what extent, if to any the companies use agile marketing and does the statement fit the reality?	Degree of using MA principles at work	Most lagging capabilities: <ul style="list-style-type: none"> ✓ implementation of cross-functional teamwork ✓ Autonomy of teams and workers in general ✓ Speed of altering marketing decisions ✓ Ability to use experimentation in product development process
What are the key difficulties outlined by the companies in relation to implementing MA?	Main challenges	Amongst the main challenges outlined were: <ul style="list-style-type: none"> ✓ Lack of human resources ✓ Lack of knowledge of necessary mechanisms or the mechanics of their implementation

		<ul style="list-style-type: none"> ✓ Overall altitude to marketing in big Russian companies, especially state owned
What successful practices did companies use under economic crisis conditions?	<p>Crisis effects and measures</p> <p>Effective practices</p>	<p>Companies shared practices they used to mitigate the effects of crisis (2019-2022):</p> <ul style="list-style-type: none"> ✓ Deep ongoing market and consumer research ✓ Implementation of cross-analytical tools ✓ Working with contractors (advertising agencies) ✓ Contingency planning ✓ Adoption of foreign practices

2.2 Methodology

Defined by Creswell et al. (2018) an interview is a one-on-one, face-to-face or online conversations with individuals or small groups that allow researchers to explore participants' experiences, beliefs, attitudes, and perspectives on a topic. For the purpose of these research interviews were conducted using online video and audio format, justified by the geographical distribution of interview participants and time limitations on the side of participants. Companies that were investigated in the research are located and operate throughout Russian regions. The literature does not provide a concrete number of the in-depth interviews needed for achieving representative results of the research (Dworkin, S.L. 2012). According to Creswell & Poth (2018) there is no concrete answer. Most of the research argue about the importance of saturation when deciding on the number of in-depth interviews to be conducted within the research (Mason 2010). Saturation in qualitative research refers to the point at which collecting additional data from the research, this includes conducting additional interviews Guest et al. (2006), however, has found that up to 12 interviews is enough to reach saturation in the research.

The sample of the qualitative research constituted from 10 representatives of small medium and large Russian enterprises operating on the local market in different country regions. Criteria for choosing the companies for the interviews included company size, industry the company operates on, the degree to which the industry was affected by current crisis and foreign experience of implementing marketing agile practices.

Companies of different sizes and from various industries were chosen to see how agile marketing is applied in various organizational contexts.

Interviewing representatives from different geographical locations let us gain insights into how marketing agility is implemented across different regions in Russia.

It was also interesting to investigate companies with differing strategic focus. Both companies that have a strategic focus on marketing agility and have implemented agile marketing methods in their organization or marketing campaigns and those who yet have not identified themselves as adopters of marketing agility.

Some companies we interviewed had relevant experience in implementing agile marketing methods and provided us with detailed insights into their successes and failures.

List of the companies interviewed are presented in table 3. Our interviews took in general from 40 to 70 minutes.

Table 3 List of companies interviewed

No. of respondent	Interviewee position in the company	Company name	Size of a company	Industry the company operates in	Region	Experience	Duration of the interview
1	Head of operations	Coalition/“Коалиция”	Medium	Wholesale of industrial chemicals	Saint-Petersburg & the region	25 years	46 minutes
2	Head of the marketing department	Cars Family	Medium	Cars distribution	Saint-Petersburg & the region	12 years	67 minutes
3	Owner and chief executive officer	Medline dent	Medium	Medical services	Kemerovo and Altay region	10 years	45 minutes
4	Marketing director	Samberi	Large	FMCG wholesale	Primorye territory	9 years in the company, total 26 years	64 minutes
5	Owner and chief executive officer (CEO)	Prime Sibir	Medium	Advertisement market	Omsk	23 years	45 minutes
6	Director of customer relations	Communications agency “Media link”	Small	Advertisement agencies market	Saint-Petersburg & the region	15 years	49 minutes
7	Vice president of marketing	My Wine / Мое вино	Large	Wine business	Saint-Petersburg and Moscow	20 years	80 minutes
8	Head of marketing department (Tumen)	Real estate agency – “FLOORS” (ЭТАЖИ)	Large	Real estate	Across Russia and internationally (9 countries)	10 years	53 minutes

9	Marketing director	“Cheers for body” Cheers for brand brach	Micro	Online based educational platform	Saint Petersburg and online globally	5 years	40 minutes
10	Chief executive officer	“Mir International”	Micro	Tourism	Saint- Petersburg & the region	18 years	42 minutes

The companies size criteria used were as follows:

Small and medium-sized enterprises (SMEs) are businesses that typically employ fewer than 250 people. Within the category of SMEs, there are further subdivisions, including micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), and medium-sized enterprises (50 to 249 employees). In contrast, large enterprises are those that employ 250 or more people, according to the OECD.

2.3 Interview design

Before constructing a questionnaire the purpose and objectives of the interviews were identified (Creswell 2013). These included first of all the objective to broaden the results of the research by adding more recent data that will take into account recent economic crisis in Russia that happened due to the special military operation. In particular to discover business first hand perspectives on the effects of SMO (special millibars operations) on companies operations and marketing strategies.

Moreover, as this research may be considered to have an exploratory nature the task of the interviews was to identify the profoundness of the awareness of the topic on agile marketing. Other objectives included: **to uncover motivation for using or not using the approach; to uncover the altitude to the agile approach in general; to discover to what extent, if to any the companies use agile marketing and does the statement fit the reality; identify key difficulties outlined by the companies ; try to identify common trends between the interviewees and identify successful practices that work on the Russian market under economic crisis conditions.**

We used the mix of question types while constructing interviews. These included open-ended questions, closed-ended questions including scales and rankings.

Open-ended questions allowed respondents to provide detailed and thoughtful responses, what made them essential for in-depth interviews.

The interview questions were constructed using the following structure (Rubin et al. 2012):

A brief introduction that clarifies the purpose and states the topic of the research is given.

Then warm-up questions were asked to build rapport with the participants and help them feel more comfortable. These questions included introductory questions about their job position, their

company and experience. The main part of the interview constituted of both open-ended and closed ended questions.

There were 4 main parts of the interview: touching the company's perception of the crisis situation and its effect on the company and the company's reaction; questions investigating the awareness and understanding of agility concept in general and in relation to marketing; questions that were aimed to investigate the degree to which the firms are using marketing agile practices and the final part concerned the firm prerequisites that are needed for the successful implementation of agile marketing.

Questions concerning the degree of marketing agility were split into 4 parts building upon the 4 components of agile marketing concept defined by Kalaignanam et al. 2020. These four components are: sense making, speed, iteration and marketing decisions.

Questions regarding the companies essential constructs for successful agile implementation touched the 4 parts outlined by Kalaignanam et al. 2020, including organization structure, organizational culture, budget allocation and the digital technologies used by the company. To tie the data received from the interviews we also asked respondents to fill out the form at the end of the interview that aimed to measure the degree of their firm's marketing agility.

While analyzing the interview we also decided to try attribute company's practices not only to agile marketing, but define what elements if any or multiple of other marketing concepts related to marketing agility companies use including the dynamic and adaptive capabilities discussed in the literature review (Kalaignanam et al. 2020).

Amongst them are:

1) Dynamic marketing capabilities: the firm's ability to integrate, create and reconfigure internal and external competencies to respond to rapidly changing market conditions (Teece et al. 1997, p.516). Another definition of dynamic capabilities states that these are "The firm's processes that use resources—specifically the processes to integrate, reconfigure, gain and release resources—to match and even create market change."(Eisenhardt and Martin 2000, p. 1107).

2) Adaptive marketing capabilities. This notion includes three concepts:

✓ Vigilant market learning : vigilant market learning entails that the firm has elevated state of awareness, characterized by curiosity, alertness, and a willingness to act on partial information. (Day, 2011, p.188)

✓ Adaptive experimentation

✓ Open marketing refers to marketing in an open system of counter agents, working not with one advertising agency, for example, but with a whole network using multiple marketing agents with different competences who provide promotion. (Day 2011, p. 188)

The benefits include: 1) access to a far wider array of informed talent and new capabilities; (2) richer and more variegated, microlevel responses; and (3) an extended periphery that brings new insights back to the company.

3) Market-oriented strategic flexibility refers to the ability and intention of the company to create consumer offers and carry out their changes to create a higher consumer value, taking into account market changes in the current situation (today + the near future) (Example with special clothing (uniforms for IEDs and reorientation of production workers)

4) Market orientation: this approach involves collecting information about consumers, their current and future needs, competitors and markets, analyzing this information taking into account strategic business prospects, choosing a solution to maximize the value of goods in the minds of consumers and developing measures to provide this value to consumers.

5) Market-based organizational learning: It includes observing and studying the practices of other companies, carefully studying information about customer loyalty, customer satisfaction and brand image, as well as interpreting information about trends and market conditions (Sinkura, 1994, p. 38).

2.4 Thematic analysis

For the qualitative analysis as the first step we coded the information received by the interviews. We systematically categorized the parts of the data we received to identify patterns and common themes. We decided to use deductive coding with the elements of inductive coding. As this is an exploratory research inductive coding may be helpful to draw new insights. However, as we are basing the interviews on specific questionnaire and assumptions that formulated were based on the literature analysis we developed the initial set of code based on our questions and research assumptions (Saldana 2009).

Code structure can be found in table 4.

Table 4 Themes and codes structure

Theme	Codes	Explanation	Example quote
Awareness & perception	Awareness of the agile concept	This theme determines the degree of awareness of the concept of agility and its understanding in respect to marketing activities	Quick response to the challenges that regularly occur in our market.(Prime Sibir) / And this is exactly where agility often seems to manifest itself, in rapidly finding a solution to a particular problem. (My Wine)
	Associations with Agile		"Personally, my first association with agile is quick adaptation. And that is, when all the old approaches do not work and you need to urgently look for something new and generally completely different. And do it quickly. If briefly summarized. (Cars Family)
	Awareness of marketing agility		
	Perception of MA and practices that can be attributed to MA		
Need for MA	Motivation for MA (reasons for implementing MA)	This theme is aimed at identifying motivation and reasons behind companies implementing the agile approach or on the contrary identify reasons behind not using this approach.	It's not my opinion, it's a fact. We have to be flexible. Because if we are not, the business will die, I'm sorry, I will be straight forward. (Medline dent)
	Adoption of MA (we use MA/ we do not use MA)		For us, agile marketing is what we should do, because the company is small, we can change very quickly, we need to take advantage of it, especially since we work in four regions. Each region may have its own economic characteristics. Therefore, we must adapt to each regional market. (Prime Sibir)
Degree of using MA principles at work:			
Sense making of the market situation	Most important factors for market analysis	What metrics and aspects companies usually look at when analysing the market changes	We take into account consumer behavior and react quickly to it. For example, the target audience goes to the country side during spring season. And we understand that people will watch less television, but listen to the radio more, in the car on the way to the cottage, in the garden, sitting on the lake shore. They are not watching TV at this moment. Therefore, we understand that an advertising campaign should shift to another media channel for this particular target audience. (Media Link)
	Competitor analysis	Identifying who are main competitors, what they do, what metrics do companies compare	
	Changes in customer behavior	What specific changes have companies detected and how do they react	
	Changes in demand	How changes in demand affect companies and how they react	
	Factor that affect marketing campaigns and introduction of new products	What factors can alter the ad campaigns and change promotion plans	
Speed	Speed of pivoting marketing activities	These codes aim to identify how fast companies can react to market changes and change their marketing activities including promotional strategy changes, budgeting corrections, introduction of new products.	We can change the media planning within a few days. But the implementation, if the campaign has already been launched on some outlets, already depends on the flexibility of contractors and their internal business processes. I think within five to seven days it is feasible. ("Тражи")
	Speed of response to market changes		
Flexibility	Changes in operations	These codes aim to identify how flexible companies can be when market situation changes and what changes can occur to companies' operations	Of course, we are changing advertising campaigns. Let's say if we launch it on a large scale, at some point we can adjust something, some channels of promotion, some we replace, some we supplement. If we have a good, let's say, grocery program going on in parallel, we broadcast the key message on these channels more. Then we introduce a new campaign, but some tools are always used, some may change. (Sambery)
	Changes of marketing instruments		
	Positive changes in company's operations		
	Negative changes in company's operations		
Organizational structure	Teamwork	We aim to identify what organizational structures companies are using, the extent of implementing cross-functional teams and limitations that the current organizational structures pose.	Yes, teamwork helps from the point of view that every employee feels the common purpose - I'm not a designer, and I'm sitting here making pictures, but I'm a part of a big and important matter. From such a psychological point of view, I think teamwork is important (Sambery).
	Methods of controll	Controll of time deadlines and weekly meetings to monitor ongoing work. That is, when we set deadlines, the manager who is appointed responsible for a project controls the deadlines and compliance with the tasks. (Prime Sibir)	
Organizational culture	Knowledge sharing culture	These codes aim to identify to what extent is the organizational culture developed. It is sufficient for successful MA implementation.	I can characterize the organizational culture as insufficiently developed, and there is no exchange of experience from different departments. (Samberi)
	Interpersonal interactions		
Budget creation	Flexibility	We analyse the process of budget creation to understand how they are created in different companies in Russia and to identify a pattern	Our budget is usually allocated for the following purposes: there is an image goal and the goal of attracting new customers. (Prim Sibir)
	Planning horizon		
	Budget goals		
Market research	Market research	The methods of marketing research used will allow us to identify the effective practices and also find gaps that can be modified	We partially conduct research ourselves, partially buy from agencies. There are agencies that conduct research, there are open statistics that you can use. When we study, look at statistics on markets, sales, brands, of course, we do not order this study ourselves, there are ready-made studies that you can buy. For customer research we use our own CRM system. And development of this system is another goal that we need to address. (Cars Family)
	Digital technologies used		
Crisis effects and measures	SMO affects	By analysis the major crisis affects on the companies and the counter measures taken by the companies we aim to identify key lessons learned, difficulties companies faced and effective practices that were implemented.	Due to the introduction of new sanctions in 2022, difficulties arose with materials for capping, since Portugal is the main supplier of corks. But on the other hand, this forces us to search for alternative solutions, modern options for wine capping. So, we are transferring products to a screw cap and considering options for manufacturing chemical corks. (My wine)
	Covid-19 affects		
	Reaction to recent crisis conditions		
	Adaptation actions		
Effective practices	Flexible practices used during crisis times	Under these theme we want to analyse the effective practices and strategies that company used during times of uncertainty, market change and economic crisis.	When affected by external factors, the consumers are scared and their incomes is falling, offer them products that are functionally fulfilling their role, but which will cost less or reduce and change packaging. Or find another manufacturer who will give the same product at a lower price, depending on what has affected the consumer. But in this context we are talking only about retail. (Samberi)
	Achieved positive results		
	Reactions to changes in customer behavior		
	Reasons behind high speed of change		
	Contingency planning		
	Strong sides of existing marketing strategies		
Main challenges	Difficulties	This theme is aimed at determining the key difficulties and challenges for adaptation of MA that companies face	Now several new stores are being launched in a row and it is very difficult for us, we do not know how to work in such a rhythm. That is, it's one thing to open one store a month, we operated in such a rhythm and got used to it. And suddenly, a rapid, intense opening process has begun now. However, there is no dedicated team specifically for the new launches, there is a lack of human resources for effective project teamwork, new store launches are added to the daily responsibilities of the employees. (Samberi)
	Limitations (inside the company and outside factors)	We want to identify internal limitations of the firms that hinder flexibility	Internal problems include bureaucracy, preparation of document flow, when a company is large, there are a lot of bureaucratic moments that make it difficult to be fast and adoptive. (Samberi)
Changes to be made for MA implementation	Internal practices changes, software changes	Here we aim to identify necessary changes outlined by the companies that they consider necessary for successful MA implementation	It is important to encourage autonomous decision making at the work place, encourage showing interest and responsibility for the results of the work done. And not to hesitate to ask for help of the superior. Modesty is good, but not in the field of advertisements (Media Link)
Working with advertisement agencies	Motivation for advertising agencies	Working with advertisement agencies is common for firms when performing some of the marketing activities. Thus, we want to investigate how this cooperation impacts the implementation of MA	Working with contractors does not interfere with our flexibility, everyone we work with is just as flexible as we are. It's not like I gave them the task and that's it. I control this process from the beginning to the end. (Cars family)
	Motivation against advertising agencies		

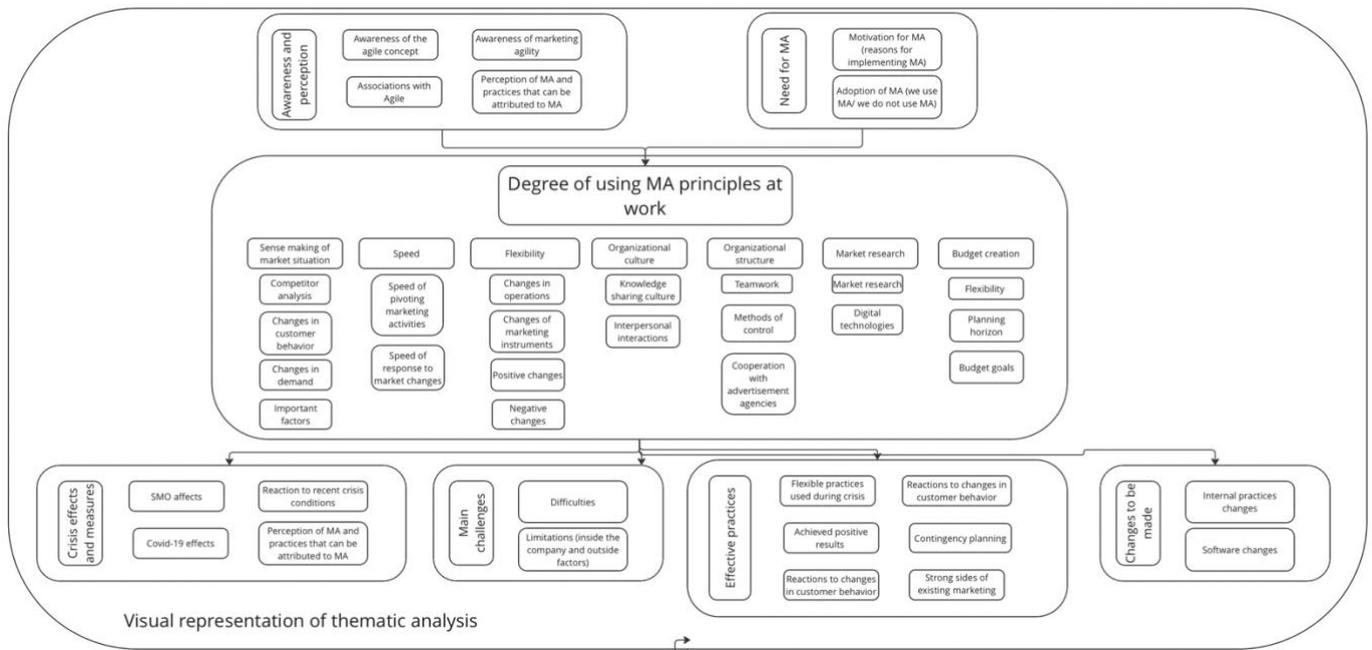


Figure 2 Thematic analysis structure

Table 5 Emergent themes and research questions

Research question	Themes that address the research question
Are companies aware of MA concept and to what degree?	Awareness and perception
What is the altitude to the agile approach in general in Russian companies we interviewed?	Awareness and perception
What is the motivation for using or not using MA approach?	Need for MA
To what extent, if to any the companies use agile marketing and does the statement fit the reality?	Degree of using MA principles at work:
What are the key difficulties outlined by the companies in relation to implementing MA?	Main challenges
What successful practices did companies use under economic crisis conditions?	Crisis effects and measures Effective practices
What common traits were identified between the interviewees?	Main challenges Effective practices Degree of using MA principles at work

2.5 Results of thematic analysis

Theme 1 Awareness and perception

Most of the companies we interviewed had been acquainted with the notion of agility, however, some people associated it with only one or just few traits of agile approach, and some had miss interpretations. This also included the perception of marketing agility and practices that Interesting to note that some respondent’s associated agile with “blue ocean strategy” (Prime Sibir), emphasized “constant project teamwork” (My Wine), “project management using experimentation, iterations and adaptation” (Cheers for body), emphasized the importance of “customer relationship and fulfilling customer needs first and raising the level of customer loyalty”(Prime Sibir). Others also emphasized the importance of adaptation and speed of reacting to changes. “For our company agile marketing is rooted in the reaction to changes in external environment, crucial changes like SMO” (Cheers for body).

Samberi representative associates agility with quick adaptation:

“Personally, my first association is a quick adaptation. And that is, when all the old approaches do not work and you need to urgently look for something new in general completely different. And do it fast.”.

The owner of the Medline Dent “To develop effective marketing strategy, especially for it to be flexible, it is important to understand the target consumer and the appropriate messaging and channel for reaching them. There are three fundamental considerations that apply to businesses of all sizes. (Medline dent)” What is also interesting, that marketing agility most of all associated with advertising activity of the firm, rather than full marketing mix. Marketing mix as defined by P. Kotler consists of: product, promotion, price and packaging.

The list of the companies that stated that they use principles of agile marketing are presented in the table 6.

Table 6 Insights into agile marketing principles implementation

Company	Do you use MA
Coalition/“Коалиция”	“Yes to some extent”
Cars Family	“Yes, of course”
Medline dent	“Yes, It's not my opinion, it's a fact. We have to be flexible. Because if we are not, the business will die, I'm sorry, I will be straight forward.”
Samberi	“Yes, we use flexible marketing in promotion, however we lack teamwork”.

Prime Sibir	“Yes, I think we use a flexible approach. Respectively, as soon as the external environment changes, we immediately change our marketing.”
Communications agency “Media link”	“Yes, in advertisement business we have to be flexible and agile”
My Wine / Мое вино	No. We have too many tasks, and we can't afford to give up something and dive deep into one project. That is, you see, the main problem is a lot of current tasks, which probably does not allow us to fully implement agile approach into the company. But the problem is always human resources.
Real estate agency – “ЭТАЖИ”	Yes, on the regional level we can be flexible, on the level of each regional unit
“Cheers for body”	“Yes, we do ... For me, it is flexibility and adaptation to the external conditions.”
“Mir International”	“We are very flexible and always have been, due to the specificity of the tourism business”.

To measure the level of agility in the companies interviewed regarding their use of the agile approach to marketing, a brief questionnaire was distributed to the respondents. The questionnaire consisted of a series of questions pertaining to the fundamental components of the marketing agility concept such as speed, experimentation capability, and sense-making. This questionnaire was designed based on the existing literature on marketing agility and its key principles. The main objective of the questionnaire was to evaluate and correlate the responses received during the interviews, with an aim to quantify the degree to which the companies employed agile strategies. You can find a sample of the questionnaire in the appendix.

Table 7 Degree of MA measured via survey questionnaire

Company name	Sense Making	Speed	Experimentation	Flexibility
Coalition/“Коалиция”	3,67	3	2,67	5
Cars Family	4,33	3	2,67	5
Medline dent	4	3	4	3,4
Samberi	4,33	3,65	2,5	4,33
Prime Sibir	4,33	3,25	3,67	3,2

Communications agency “Media link”	4	4	3,33	3,6
My Wine / Мое вино	4	3	4,33	4
Real estate agency – “ЭТАЖИ”	4,33	4,25	4,67	4,4
“Cheers for body”	4,31	4,25	3,67	4,4
“Mir International”	4	3	4,33	4

We see that even though most of the companies stated to be implementing agile practices into their operations the results of the survey suggest that some of the areas may be enhanced. The absence of certain elements of MA in perception of the concept and associations provided by the respondent correlated positively with the results of the survey given to the interviewees. For example, Coalition’s perception of agility differs from the definition presented in the literature. When asked to relate certain practices to agile marketing approach the following aspects were highlighted:

“Technical support service that allows us to work more efficient, our ability to position the product, present it to the client in a correct way, our ability to adapt to the market in terms of products, to be able to shift the focus to more stable products in terms of logistics, prices and brands.”

The essential speed component of the approach is missing here, which is also reflected in the results of the assessment questionnaire filled in by the respondent.

Thus, we can try to partly link the results to misunderstanding or partial understanding of the concept of agile marketing to the degree of its successful implementation in the companies. Meaning that, the more deeply the concept is understood including the instruments and practices more suitable for such an approach, the higher is the success of MA implementation.

Theme 2 Need for marketing agility

Our research found that motivation of becoming more flexible and agile came for different reasons. For most of the companies external factors that drastically change the way companies needed to do business drove the need to change and become more flexible and adaptive. These included: covid-19 effects on the market that not only lead to governmental restrictions but also drastically changed the way people behave and make purchases; SMO effects which lead to introduction of severe economic sanctions, trade restrictions, extreme inflation rates globally and in Russia, skyrocketing interest rates, and deterioration of disposable income and consequently the purchasing power of consumers.

However, executives we interview admitted that the transition was “difficult “. The marketing director of a wholesaler “Samberi” told us that:

“At the very beginning of the pandemic, demand for long-term storage products sharply increased. We weren't ready for this, no one was ready. And it was very hard to adopt. There was a shortage of products, which led to the fact that we had to limit the number of purchases per person.”

And when the second crisis hit in the beginning of 2022 she admitted that: “in march of last year all promotional activities, including both promotional activities and seasonal ones timed to gender holidays were canceled simultaneously. Completely everything was stopped. Everything that had been printed by that point was simply thrown out.”.

Thus, we can assume, that the companies that lacked the adaptation capabilities were in tougher situation during major market changes, and those who have already been more flexible before were able to adopt to market conditions faster and with less losses and turning the situation to the company’s benefits.

However, those who were already using more flexible practices and acquainted with rapid change managed better when the Covid-19 started and then the major crisis came in the beginning of 2022 with implementation of numerous foreign economic sanctions.

Another reason behind the motivation of being agile outlined in the interviews was the specificity of the business and the size of the company.

The companies that operated on rapidly changing markets were external or internal factors always effected companies promotion strategies, products creation, and that are characterized by shortened product life cycles (Kotler 2021) were always motivated to be flexible, fast to change and experiment with new promotion channels, new services. Such industries include traveling agencies and traveling industry in general.

An executive of a traveling agency stated that their industry was always prone to changes: “Well, in our business, there are always constantly changing situations, not only the last three years. International currency exchange rate changes severely affect our operations, strategies and products, because we are still strongly connected with international business. Accordingly, the whole political situation affects us severely. Therefore, for us the main reason to be flexible and react fast are the external factors of change. For example, exchange rates, political situation in certain countries, relations between countries, changes of communication routes, solvency of the target audience.”

Another industry that can largely benefit from being agile is usually more flexible is the marketing and advertising.

Marketing and advertisement require constant monitoring of market trends and consumer behavior changes, for that agile principles are likely to be successfully implemented in the activity of advertisement agencies, marketing firms and communication agencies.

Our interviews confirmed that assertion, that truly companies providing marketing advertisement services were more prone to be agile. The representative of a media selling agency stated: “For us, agile marketing is what we should do, because the company is small, we can change very quickly, we need to take advantage of it, especially since we work in four regions. Each region may have its own economic characteristics. Therefore, we must adapt to each regional market.” (Prime Sibir)

Communications agency also confirmed that for them it was the only logical way of work: “...it seemed to me that it was logical in general, does not matter how we call it agile marketing or whatever. But it seems to me, well, as if is logic, simple logic, that yes, that's how it works. Extremely dynamic sphere of our activity implies the need for a flexible and rapid response to all possible changes.” (Communications agency Media link).

In addition, building on the marketing 4.0 and marketing 5.0 concepts introduced by Kotler et al. (2017) and Kotler et al. (2021), we built an assumption that for the companies that largely operate online, use mostly or only online advertisements and perform sales online implementation of agile marketing principles are the most suitable, as the market situation in online business changes even faster and consumers are always online demanding for brand communication and always new, more interesting offers (Kotler et al. 2021).

The analysis of the interview with the marketing executive from an online based educational platform “Cheers for body” we can confirm our assumption. As truly, the lifespan of marketing tactics in social media are very short, companies do not only look at the product, but concentrate more on company positioning and their marketing actions : “In social media customer preferences change very fast and the lifespan of marketing tactics is very short. The market changes very quickly. That is, what was relevant, roughly speaking, three months ago, may not work now, but what worked a year ago will definitely not work now”.

She also argues that it is very important to feel the consumer and focus not only on the product characteristics (as discussed in more static marketing models), but on the whole brand image, identity and communication with consumers. This approach is consistent and supports the arguments discussed in more dynamic models (see Teece et al. (1997), Day (2011), Kotler et al (2021)):

“You have to get a very good feel for the market, of your customers, you have to understand trends, as the consumer very quickly understands what's what and why. That is, there is a kind of oversupply of different offerings in social media right now, and people choose not only the product now, but who exactly they want to buy from, who they trust, they need to have the feeling that they will not be cheated. I am saying that it's hard to compete only by products now, because there are so many offers.” (Cheers for Body)

Internal factors also played a role for being more flexible. The owner of a chain of medical clinics outlined that the work centered around specialists – doctors requires the ability to be able to rapidly change the promotion strategy, relocate budgets and offer clients alternative choices.

“And most often, external factors and internal ones can also affect the planned activities. For example, a doctor may get sick. And we only have one specialist, for instance in that area. Then if we are flexible we can quickly redistribute budgets to other areas.”

Marketing executive at the Real estate agency “Этажи” stated that for them key motivation to using agile approach to marketing is risk aversion:

“If we select this approach, the main focus is to limit risks. We would work on a short-term basis and identify opportunities to make necessary changes when the market shifts, team composition changes, or when the realtor's motivation changes.”

Competitor’s actions and rapid and constant changes in consumer behavior with a very short lifespan of preferences were also outlined as the reasons for implementation of a more flexible approach to both promotional activities, budgeting, and sometimes product development when it comes to developing service packages and stores assortment.

Theme 3 Degree of implementation of MA

In this part we tried to assess from the conversation to what degree companies are actually implementing the key MA principles, thus the conversation was centered around the key MA principles and main company antecedents for successful agile implementation.

Generally everyone we interviewed asserted that they were forced to become more flexible due to recent economic conditions. Especially flexible in planning activities, including budget planning, media mix, and promotional strategy planning, being ready to change if necessary.

However, we also found that most of the companies interviewed still had a long-term planning system (for a year, including budget planning) even though for all them the plan was

not fixed and could be changed in the process if the market situation demands it. Yearly marketing plan is used by 7 out of 10 companies interviewed, which is more than a half. An executive of a food retail company shared that they usually have a year-long plan with yearly specifics, but that they do have a maneuver to change:

“I cannot go over budget, but other than that the annual plan can change depending on influences and preferences. There are basic characteristics of the year and annual planning. It's the presence of holidays throughout the year. All of those periods are scheduled. We understand when we have winter, when we have spring, when we have barbecues, when we have March 8, when we have New Year's Eve. In this case, we all understand what's going to happen. New Year cannot be canceled. As for the yearly plan, it depends on the product, on fashion, on the popularity of a product, and, of course, the offer itself to the consumer. Here, of course, I can adjust the plan, and no one is forcing me today, being in March, to create a marketing strategy for New Year's Eve 2024, because fashion trends could be different etc.”

However, more flexible companies in our sample did not use a fixed marketing plan, for instance Cars Family admitted they do not have a fixed planning system for a long term. The planning horizon is one month:

“We don't have a strict fixed strategy for a month, for a quarter or for a year. We have, let's say, some kind of basis, but every month we try to do some kind of experiments, look for some new promotional channels, new ideas. So, let's say, we always have some 10 percent of our budget for which we try to do something new and to test some hypotheses.”

A partly online-based company Cheers for Body stated that they have a approximate yearlong sales plan, however if we talk about advertising of a concrete product the planning is stated to be up to one week, as most of the promotion is done via social media where product life cycle is very short: “planning for more than a week in social media is an outdated concept. Only few do that anymore”.

4 main constituents of agile marketing:

Speed and Flexibility

We found that the speed component of changing products, designs or core services largely depends on the industry, business and product specificity. Companies that have more intangible products or services can change faster than those with tangible products and higher industry constrains.

For instance flexibility in production is hard to be achieved in some industries, including wine production. The representative of a wine production company shared with us some insights:

“Change is more complicated with wine. Here we have a product that is in the aging stage. That is, the wine material has been harvested, and it is aged, right? And so it is impossible to take one year and change the product line. We can't say, you know, this variety, it's no longer relevant, no one is interested in it anymore. That's it. And we can't take it and not produce it. We have vines planted and grapes are produced for 15 to 20 years. It's born every year, it has to be processed. And sometimes, maybe, indeed, the demand for this product (a particular kind of grapes) drops. That is, it becomes not relevant, not fashionable. And we can't just pump out the grapes, we have to work with them. And, accordingly, any changes, they are very difficult, they are very long. Maybe these grapes have to be included in some kind of blend. And this process is very long. So it's impossible to change it in a month in our business. These are the peculiarities of wine production. That's probably our weakness, we're very slow in changes. Interesting to note that high speed and flexibility was mostly attributed to change of promotional activities and in planning of promotional activities.”

The representative of the Cars family on the contrary stated that they can be very flexible:

“We do not make a marketing plan for a year ahead, figuratively speaking. Of course, we do it in advance for a year, then there is an adjustment for six months, for a quarter and monthly, there are still some adjustments, depending on what goals. That is, our goals change every month depending on the situation that is happening in our company and what is happening in the world. And marketing strategy is reviewed monthly. And sometime even in the middle of the month we can add something and change something. Because, for example, we see that we are not making the traffic plan, of the sales plan, we are starting to come up with some new active actions to take in order to reach the indicators we need.”

Market sensing

Our analysis identified that frequently not enough analytics is conducted by companies. And some market and consumer research are only done on yearly basis, not even monthly, not even to say constantly.

For example, one of the firms we interviewed confirmed that consumer profile research was only conducted one a year:

“On a monthly basis, the analytical department provides a report on the dynamics of the Russian market in the context of cities. The supply and demand is analyzed once a year, for example, probably once a year, data on the client. How much the client's portrait has changed. We analyze within the branches, analyze the indicators in the context of each group, indicators on the dynamics

of the deposit, the dynamics of the collapse is a mystery. Well, in general, there are a lot of indicators. In general, our numbers are probably in the first place in the company.”

Experimentation

Our research found that amongst the companies we interviewed experimentation capabilities mostly applied to the promotion strategies of the companies, experimenting with new promotion platforms and channels.

Market research and use of digital technologies:

Most of the companies still use simple Microsoft office software for market analysis. One of the representatives outlined the necessity of introducing more advanced technologies, including cross-channel analytics.

“ If we are talking about consumer research, then we use our CRM system. The development of this IT product is, another goal, because we now have systems that we use, but in some aspects it is already, so to speak, somewhat outdated. And, accordingly, we plan to switch to a new analytics system. And most of the dealers, they just don't stand still. As soon as some new technical capabilities appear, everyone tries to implement them, of course, whenever possible.”

Organizational culture:

There is a lack of learning culture component common among the respondents. Firstly due to lack of human resources, unwillingness of employees to take responsibility and to take on additional duties.

“I can characterize the organizational culture as insufficiently developed, and there is no exchange of experience from different departments.” (Samberi)

Organizational structure:

Team work (cross-functional teams)

All the companies that were interviewed understood that the implementation of team-work into their processes , including using cross-functional on various projects would be beneficial for their business.

An executive from the communication agency shared with us their practice of using cross-functional team and asserted that for their line of business – of advertising agencies cross-functional team work is the only logical and most effective method of work:

“...For instance when a new project is being launched for a client and a new task is formulated, a team is formed, and specialists whose skills will be needed for implementation are invited from each department or division to join the team. Generally the work is self-managed. Everyone is quite autonomous workers, and in the process of work meetings, we come to solutions and make decisions. However, of course sometimes in some complex situations, the management is

consulted, but basically a team of specialists is working, and it clearly understands how it functions on its own.”

Amongst the benefits outlined were: higher motivation to achieve good results, increased awareness of the purpose of the work done, increased performance, enhances corporate culture and inner employee relationship, growth of a healthy competition, speed of implementation and correction of projects.

Marketing executive from Samberi agreed that teamwork was beneficial:

“...Yes, teamwork helps from the point of view that every employee feels the common purpose - I'm not a designer, and I'm sitting here making pictures, but I'm a part of a big and important matter. From such a psychological point of view, I think teamwork is important.”

However, not all of the companies implement team-work approach in their work. Amongst the reasons provided were the lack of human resources, cross functional team-work being atypical practices for a business unit, unwillingness to take initiative and responsibility of actions, and practice of punishments.

The downsides outlined were that without the joint work employees lack the sense of belongingness to something greater than simple routine work; moreover due to the absence of team work there exist a lack of interpersonal communication and relationships, lack of conversation which hinders the possibility to achieve greater results.

One of the interviewees shared with us that in their company: ... the feeling of the meaning of work is missing, so that each employee understands that he is not just fulfilling his function from nine to six, but that he is involved in the creation of a large and important task. None of the employees even knows what the mission of the company is, what they are doing what.

In some companies team-work structure was not implemented, as it was “not common” in the organization, however the necessity of its implementation was understood by the head of the department.

Amongst the methods of control mentioned were team meetings, regular meeting principle implementation was not common (meetings like scrum).

In prime Sibir the executive uses team work approach in the working process with meeting monitoring of KPI achievement and time deadlines:

“Control of time deadlines and weekly meetings to monitor ongoing work. That is, when we set deadlines, the manager who is appointed responsible for a project controls the deadlines and compliance with the tasks. (Prime Sibir)”

However, for other less marketing agile firms this approach was not common:

“And so, to gather well, rarely, but it happens. Well, that's, you know, when something out of the ordinary happens, like a major crisis.” (Samberi).

Working with contractors

Contrary to what was stated in the Kalaiganam et al. 2020 study, that asserts that companies that use third-party vendors, such as advertising agencies and market intelligence providers, may face limitations in their ability to conduct MA due to the pace at which the extended enterprise operates, most of the enterprises that were interviewed did not see their relationship with advertising agencies as an obstacle to implementation of MA. Amongst the companies interviewed those who uses advertising agency services noted that working with advertisement agencies did not only hinder the ability of companies to be flexible in their marketing actions, but actually **contributed to the speed and flexibility capabilities.**

Cars Family:

“Working with contractors does not interfere with our flexibility, everyone we work with is just as flexible as we are. I can say that, on the contrary, it accelerates our ability react fast and flexible. Because when, for example, we launched the entire advertising campaign for a month, and suddenly something happened two weeks later, let's say the importer changed some promo - conditions, communication message. This information needs to be changed everywhere at once and it needs to be done quickly: on the website, in contextual advertising, on the radio. The content of the video promotions need to be changed in social networks, practically everywhere. And if I did it by myself, it would take me a very long time, because it needs to be done by hand. And since I have different contractors responsible for different tasks, I sent out information and all the processes start to be working simultaneously. “

Amongst the advantages of working with contractors outlined are a **wide staff of specialists of need for a particular task and goal, financial benefits (as it is cheaper to work with agencies rather than to higher high quality specialists inhouse), guarantees of receiving a final project outlined in the contract.**

The vice president of marketing at wine production company “My Wine” strongly advocates for working together with add agencies:

“It is a huge expertise, and so many remote hands. I simply cannot maintain such a number of specialists inhouse. In the agency there is a whole department that can provide you with different specialists with different competencies. If we're talking about the label or package creation, for instance, when you have one person, well, let's say, he burns out creatively. Or if we talk about SMM and copyrighting activities, one person will provide texts that will always be similar in a way, same applies for photographers. Therefore, the use of the agency, of course, allows a variety of advertising materials and content to be created.”

Thus, we can infer that working with agencies **provides companies with ability to be more flexible, more adaptive and creative and provides a sense of security that their projects will be finished on time and saves time on communicating with various outlets for advertisement placement, for example.**

“...Firstly, you get a lot of specialists, so to speak, with different views on the ongoing processes, with needed expertise, which, well, you can't always close with inhouse employees. Moreover, working with agencies is working with a specialist team. Regardless of whether the employee has left, they have other specialists, and the work will still be completed. And when you have a person on your staff, he left and everything stopped, but it won't stop at the agency. I think it is necessary to work with agencies. I generally support working with agencies.” (My Wine).

“But having your own staff is also like, as I already mentioned, there is such a risk is an employee quits, the work stops, as it takes time to find a new specialist.” (Cars Family).

Executive at Cars Family also argued that working with agencies can be **economically more effective:**

“Firstly, it is more cost-effective to work with contractors. If we hire an employee who is competent and a good specialist, then either we have to offer him a very good salary, super-duper huge, so that he works only for us, because such, specialists (like SMM specialists for instance), usually work on freelance and lead several clients at once, to earn good money. So, if it is our internal specialist, it will be more expensive for us than outsourcing.”

However, 2 of the companies interviewed expressed their concerns about working with agencies. One of the reasons was the size and own capabilities of the company and existing long-lasting relationships with media platforms and other providers that result in a more cost-effective practices. Another reason outlined was the low quality of services of advertisement agencies and low availability of highly qualified contractors.

“... As we are a large federal company, usually the top managers already work with us from television, radio, and other media outlets. It is better for us to work directly with them, because we have long-term annual contracts with many key contractors on unique individual terms. Or if a new source needs to be tested, we also go directly to the platform and negotiate the terms.”

A representative of a medium sized firm working in the medical sphere asserted that quality of agency’s services available are lower, then those that can be reach in-house: “They don't want to know about the specifics, they don't want to dive into details, they just want money to come quickly, rip us off and that's all. I'm not saying that all agencies are like this, there are good ones, but it's almost impossible to become their clients, because they are overloaded and they don't take new clients.”

Budget creation

We analyzed the process of budget creation to understand how they are created in different companies in Russia and to identify a pattern.

Mostly companies allocated their budgets on the basis of previous periods and The goals of marketing budgets were usually tied to certain KPIs and marketing channels. Representative of an online-based educational platform shared that their budget were fixed for a month and tied to specific channels: “We fixed the budget for a month, fixed for which channel we distribute the budget, and depending on the situation, we could reduce, but not increase the amount allocated to this or that channel.”

However, in some companies the budgets were tied to bigger goals such as image and reputation creation and attracting new consumers:

“Our budget is usually allocated for the following purposes: there is an image goal and the goal of attracting new customers.” (Prime Sibir)

“Usually, all marketing activities are aimed at increasing awareness about the brand. That is, the goal is an image component.” (My Wine)

Theme 4 Crisis effects and measures

For some of the companies we interviewed the most drastic affects for the business were caused by Covid-19 crisis and implications of trade restrictions, sanction implementation that started after February 24th 2022 with SMO. 8 out of 10 respondents (excluding communications agency Media Link and the

Marketing executive for the grocery retailer Samberi gave an example on how they were forced to change their product and promotional strategies under the effects of SMO consequences:

“Here was a story when we had ships stuck in the water area last year, when foreign economic activity was involved , there was no unloading, and all products ordered were stuck in the sea. There were no unloading of production not even speaking about equipping the entire network. Well, we had to reorient ourselves very quickly. And decisions were made very fast and other products were found from Russian suppliers. And, accordingly, the advertising message, the placement, the printing activities, the printing industry, and the leaflets that were printed were all adjusted.”

However, other respondents saw this crisis time, as the time for opportunities and growth. Although, admitting that the transition is hard and is not moving fast, thus affecting operational performance:

An executive of a wine production company admitted that with the introduction of new sanction package they encountered difficulties with some operations, including labelling and wine capping and difficulties with the steel containers for wine aging:

“Due to the introduction of new sanctions in 2022, difficulties arose with materials for capping, since Portugal is the main supplier of corks. But on the other hand, this forces us to search for alternative, modern options for wine capping. So, we are transferring products to a screw cap and considering options for manufacturing chemical corks.”

An executive from a traveling agency also sees advantages in drastic market changes for the business and rethinking of business processes: “So I would describe as positive factor that it's still a stressful situation, and any stressful situation, even a small shake-up is something that makes you reconsider your attitude to business, to doing business, and, accordingly, all the elements that go along with it.” (Mir International)

Another advantage was outlined by the real estate company, as new opportunities raised before the company during Covid-19 times, when the demand shifted towards country side estates:

“And here, even the pandemic would have played a plus for us, given that suburban real estate has begun to develop, many contracting organizations have appeared that offer the construction of houses.”

On-line based business also saw positive aspects in Covid-19 crisis: “And so the pandemic was a positive factor because people have learned to buy through social media.” (Cheers for body).

Travelling agency executive provided us with an example of the changes they implemented due to market changes:

“Before, our main business was international tourism, however, due to the closure of borders during Covid-19 and all new travelling restrictions, flight restrictions, skyrocketing prices on international transport and closed roots, we quickly refocused on domestic tourism in Russia. Even though we worked on that trajectory before, now we are changing the percentage ratio, retraining employees and developing local areas more”

Concerning the promotion strategies, as the latest digitalization has already forced companies to be present online, and use social media as one of the outlets for promotion, the restriction on some of the media platforms in Russia, in particular Instagram and TikTok has forced companies to quickly reshape their strategies and change media outlets.

For instance, executive at the communication agency gave us an example of the situation the encountered last year:

“...For example, we already had a campaign started, that involved bloggers who were supposed to advertise the product, and the majority of them were from Instagram. As a result, when we realized that this excellent communication channel was closing, we had to very quickly find similar bloggers with an audience in an alternative media – for us that turned to be Telegram. But the campaign went smoothly, everything was quite good, we were able to switch from one channel to another in a very short period of time while the advertising campaign was going on. We were able to do so, thanks to our ongoing consumer and market research in our agency and the high expertise of our employees ... work with bloggers is always continuous negotiations, a very heavy burden on specialists who communicate with bloggers, with opinion leaders ”.

A car distributor shared that during Covid-19 they saw the need and started to develop new sales channels due to epidemiological restrictions, in particular they enhanced their website and

shifted to online sales. However, they admit that at the beginning of the pandemic almost all activity stopped, as they were not able to adopt right away:

“ It was very interesting with the pandemic. It was a shock for everyone, so to say, the first month of the pandemic. And, of course, everything stopped completely for almost everyone. But our business reoriented as quickly as we could for sale in the conditions in which it was possible. So to speak, dealers began to develop actively what is called online sales of vehicles.”

Another important instrument that was underlined by the company that helped them mitigate the negative effects of the crisis was the implementation of more advanced analytics tools, including the implementation of cross channel analytics that provides opportunity for more thorough analysis of client journey and advertisement effectiveness.

“Using cross channel analytics we are able to learn where each client came from. We try. This is not always possible, but we strive for it. And then we investigate each of these clients. That is, we look at how many contracts there were, what was the outcome of each channel and how much income each client brought us, and, accordingly, we evaluate the effectiveness of a particular marketing tool. That is, it is the development of various services of such, it has also grown over the past few years, which allow this to be done.”

Theme 5 Effective practices

During the in-depth interviews we encouraged interviewees to share with us cases of their companies being more flexible and implementing more agile principles into their work, as well as to share effective practices that help them gain competitive advantage and mitigate the negative effects of crisis.

For identifying effective practices we merged together subthemes as (Flexible practices used during crisis times, achieved positive results, reactions to changes in customer behavior, and reasons behind high speed of change and strong sides of existing marketing strategies to gather useful insights of what practices worked for companies

Amongst the strong sides of the marketing strategy, an executive from a wine production company underlined their consumer centric and market oriented approach:

“...We want to be modern, we want to be relevant, we want to hear our consumer and offer them, well, a modern, absolutely worthy product from a Russian manufacturer. The most important thing we need to convey is this feeling that we are making a product in Russia for

Russian people and with of a good quality. That is, we strive to build our product absolutely honestly, and everything is set up today that it is really from grapes, it is really grown in Russia and processed in Russia. We also learn from foreign experience of entering the wine market and adopt their successful.” (My Wine)

Media link emphasized the importance of having a contingency plan in terms of contractors, suppliers and promotion channels strategy when it comes to promotional activities:

“The printing houses can be overloaded, therefore it is always very important to have some kind of “plan b” or a spare printing house, or some kind of list of friendly printing houses, where it could all happen quickly so that later the materials were transferred in the installation, in no case to disrupt the start of the campaign.”

A communications agency representative also emphasized the importance of rapid adaptation and deep understanding of target audience behavior and preferences:

“...for example, during the economic forum, almost all outdoor advertising media are bought out for the economic forum. ... In such situation, we are trying to redistribute advertising to another media channel, which, according to indicators, could compensate for the lack of outdoor advertising. ... Or if we understand that our target audience goes to their dachas during holidays in may we understand that the promotion channels should be shifted towards radio and outdoor ads. ”

Another important point outlined by a couple of respondents, was the ability to reorient the business fast in the crisis time for business to survive. Either to change suppliers, media platforms of even a market segment that the company worked on. For instance, a traveling agency we interviewed was able due to its expertise and its flexibility and of its partners to reorient to the local market.

Thus, amongst the effective practices used by the companies that helped them in the times of crisis that we identified during the interviews were: **contingency planning, adoption of foreign experience and practices, explicit focus on consumer needs and wishes, as well as market orientation and thorough ongoing consumer research, ability to rapidly reshape the media mix used for a specific campaign, be able to change the market segment fast and reorient, ability to change sales channels if necessary.**

Theme 6 Main challenges

The main challenge that was commonly outlined by almost all the companies we have interviewed was the **shortage of human resources**.

Representative of a wine production company stated that: “ If there are enough human resources, then you can, indeed, pay more attention to changes, be more flexible in some matters, but now sometimes we just don't even have enough time for current operational tasks, so to speak.

...Therefore, if there were additional human resources, implementation of agile approach would be possible.”

Another company stated that due to lack of human resources some competences were redistributed among other employees that lead to worse results than possible.

“...Not everything is fine with creativity, because there is no department that is responsible for that. Because of that, creative work is the fruit of collective thought, but without specialists in the sphere. But, I believe that needs to be done professionally after all...” (Prime Sibir)

Representative from a whole seller Samberi also outlined lack of human resources:

“Now several new stores are being launched in a row and it is very difficult for us, we do not know how to work in such a rhythm. That is, it's one thing to open one store a month, we operated in such a rhythm and got used to it. And suddenly, a rapid, intense opening process has begun now. However, there is no dedicated team specifically for the new launches, there is a lack of human resources for effective project teamwork, new store launches are added to the daily responsibilities of the employees.”

Other main challenges that were identified during the interviewing process that the companies faced were as follows: bureaucratic processes that hinder flexibility and speed of decision making as initiatives have to go through many organizational levels before the decision can be made; existence of unnecessary formalities as contract tenders.

One of the marketing executives when talking about the main challenges that he sees in the company for implementation of MA outlined:

“Well, in general, there is a hierarchy and bureaucracy, and sometimes, in my opinion, holding tenders that are not quite necessary and useful. Often I sincerely believe that if you have one participant, it is better to simply negotiate without manipulation, very rigidly, well and

purposefully and get the best price. Here, you know, in marketing in general, there is generally a problem with holding tenders.”

A representative of a wholesaler company also shared some of the internal processes hindering flexibility: “Internal problems include bureaucracy, especially in the preparation of document flow, when a company is large, there are a lot of bureaucratic moments that make it difficult to react quickly and operate fast.”

Another reason impeding the implementation of a more flexible approach to marketing discovered during interviews was the belittling the importance and value of marketing in the companies and interference into decision making.

One of the executives highlighted that: “ From my experience it is very common in big Russian companies especially in state owned the importance of marketing is diminished and decision makers interfere into marketing decision making without proper knowledge of the sphere ”.

....

“You know, in my opinion, all other business processes have to evolve around marketing, not vice versa. This practice is mainly seen in foreign companies. However in Russia things are usually done differently, especially in big governmental companies. For example the marketing budget is often approved last of all the budgeting procedures. That's how it is done in Russia. Well, that's how it is in my experience. And characteristic of Russian business, they do not allow to be flexible. Because the marketing budget can be taken away and that's it. And what kind of flexibility is there? And such situations happen very often.”

We have also identified that the challenges pertaining to inner company procedures and company organization are common for the big corporations, due to their vertical hierarchical organizational structure and old-fashioned way of decision making. However, for smaller companies these were not the primary difficulties encountered.

Another obstacle underlined was the specificity of business and legal restrictions. Wine industry in Russia differs from that in Europe or in the US for instance. In Russia manufacturers and distributors are highly regulated by the government, and for instance a lot of media outlets are simply prohibited for advertisement of alcoholic production which hinders flexibility in terms of promotion activities of the companies working of on that market.

The company representative from a wine industry shared with us that:

“ We can't even sponsor some events sometimes. And we even have difficulties with the placement of our logos.”

We have also discovered that indeed poorly developed corporate culture, lack of corporate learning and lack of culture of experimentation hindered the ability of the firms analyzed to smoothly transition to agile practices (Kalaighnaman et al. 2021):

“ We do not have knowledge and experience exchange with other departments, unfortunately. And the most difficult thing is that the people who work in this organization, they are afraid to be responsible for the decision made. In my opinion, this is wrong. This leads to the decrease of initiatives from employees, which hinders creativity, flexibility and speed. Because when you are not afraid that you will be punished, when suddenly something goes wrong, colleagues will not support you or something else that you will. Well, in short, you'll get for it. You have no right to make a mistake.”

Moreover, it has been underlined that the absence of knowledge sharing, team work, collaboration and cooperation leads to the lack of purpose which in turn leads to high staff turnover, that hinders the results that could have been achieved in terms of company performance.

Another difficulty that can be put in a separate category is lack of knowledge and expertise and experience in some essential areas, for instance in the innovative areas like on-line marketing and advanced analytics. Especially this problem is found in the regional cities. One of the executives admitted that they lack in their company appropriate knowledge in some areas, thus they are constrained by that limitation to apply more flexibility in promotional activities:

“No, we don't use context advertising in the internet, we don't know how to work with it. We used context advertising, but we were not convinced in its effectiveness. Thus, we use the Internet poorly, we do not understand how to measure the results and evaluate its effectiveness. I'm talking about myself now, I probably don't understand how to evaluate it.”

However, there are also positive consequences of this drastic changes in external economic environment. Due to strict restrictions the companies are looking for alternative ways of advertisements which in turn spurs the willingness and ability for experimentation and

implementation of new interesting advertisement channels. This finding supports the assertion made by Kalaignanam et al. (2021) that the more unpredictable the market behaves, the greater are the benefits of marketing agility to the firm and to its agile capabilities development.

Theme 7: Changes to be made

In this theme we tried to gather all the relevant and interesting thoughts that were expressed by the marketing executives about changes that they would implement in the companies they work for achieving higher flexibility and making implementation of marketing agility feasible.

Amongst the proposition were:

1. Introduction of more and better cooperation between employees both in the same department and across departments, to organize cross department and cross subsidiary meeting more often and cooperate on projects and tasks.

Representative of a large wholesaler noted:

“ We lack personal contact with my employees...There would be nothing complicated in this, but we need to gather people and set tasks for them to organize and participate in team buildings, I do not know what tasks they will all be involved in. Because personal relationships, they help people to perform better at work.”

2. Motivate employees to take initiative and empower them to be more responsible and independent

“It is important to encourage autonomous decision making at the work place, encourage showing interest and responsibility for the results of the work done. And not to hesitate to ask for help of the superior. Modesty is good, but not in the field of advertisements “(Media Link).

3. Development and implementation of new more advances digital software inside companies for more indebt customer, competitor and performance research.

4. Need of hiring additional employees for the marketing department (Prime Sibir, Cars family, My Wine).

While analyzing the interview results we learned that MA abilities of the firm and other marketing capabilities defined in the literature indeed have many similarities, however are also different in some ways (Kalaignaman et al., 2021). Previous research has linked the development of various marketing capabilities to enhancing firm performance (see Guo, et al., 2018)

Thus, we decided to attribute other concepts that are close to and contribute to the development of agile marketing capabilities.

Other marketing capabilities ascribed to companies under analysis

Thus in the process of our interviews analysis we identified other marketing capabilities that were present in companies marketing strategies discussed:

Table 8 Other concepts associated with agile marketing and dynamic capabilities of a firm

Company name	Dynamic marketing capabilities (1)	Adaptive marketing capabilities (2)	Market-oriented strategic flexibility (3)	Market orientation (4)	Market-based organizational learning (5)
Coalition/“Коалиция”	✓	✗	✓	✓	✓
Cars Family	✓	✓	✓	✓	✓
Medline dent	✓	✗	✓	✓	✓
Samberi	✓	✗	✗	✓	✗
Prime Sibir	✓	✓	✓	✓	✓
Communications agency “Media link”	✓	✓	✓	✓	✓
My Wine / Мое вино	✓	✗	✓	✓	✓
Real estate agency – “ЭТАЖИ”	✓	✗	✗	✓	
“Cheers for body”	✓	✗	✓	✗	✗
“Mir International”	✓	✗	✓	✗	✗

Table 9 Marketing capabilities explained with example quotes

Capability	Definition	Example quote
Dynamic marketing capabilities	Firm's ability to integrate, create and reconfigure internal and external competencies to respond to rapidly changing market conditions (Teece et al. 1997, p.516)	“ During the economic forum in a certain month,, almost all the outdoor advertising media are bought out for the economic forum, because it's clear that there will be thematic advertising, because the task is to achieve maximum coverage of the forum. In such situation, we are trying to redistribute advertising to another media channel,

		which, according to indicators, could compensate for the lack of outdoor advertising.” (Media link)
Adaptive marketing capabilities	Vigilant market learning Adaptive experimentation Open marketing (Day 2011, p. 188)	“We don't have one advertising agency that does everything for us. No, we do some things on our own, directly with contractors. For example, I have an advertising agency that occupies a particular niche in contextual advertising, working with Yandex, directories, with maps and so on. So there is this advertising agency. But, for example, I work with that agency for one brand and with another for another brand. I work with another agency in order to compare which of them works better, how they work. ... I have a content creation contractor, I have contractors there that provide website maintenance as well, for example.” (Cars Family)
Market-oriented strategic flexibility	Ability and intention of the company to create consumer offers and carry out their changes to create a higher consumer value, taking into account market changes in the current situation (today and in the near future) (Johnson et al. 2003)	“As a result of Covid, the assortment policy has changed , the assortment has been adjusted. The same goes for the auction positions that we announced and the auction position in general. The auction items have changed because of the greatest need of buyers. Again, I'm talking about sanitizers, toilet paper, napkins and all that kind of stuff. These products have come to play a big role. Just like hygiene, all hygiene products in general.

		At that time, customers were even less looking at price and more looking at availability. And there had to be an urgent and quick decision to supply the necessary range at the time and the right customer. (Samberi)
Market orientation	Gathering insights on customer preferences and future demands, as well as studying market trends and competitors, evaluating these findings to identify strategic business opportunities, selecting an optimal approach to enhance the perceived value of products or services, and formulating measures to deliver this value effectively to consumers. (Kohli and Jaworksi 1990)	“On a monthly basis, the analytical department provides a report on the dynamics of the Russian market in the context of cities and so on. The analysis of supply and demand takes place once a year, data on the client is analyzed once a year. How much the client's portrait has changed. We analyze within the branches, analyze the indicators in the context of each group, indicators on the dynamics of the deposits into mortgages etc. Well, in general, there are a lot of indicators. In general, numbers are the most important for the company.” (Real estate agency Этажи)
Market-based organizational learning	Observing and studying the practices of other companies, carefully examining information about customer loyalty, customer satisfaction and brand image, as well as interpreting information about trends and market conditions (Sinkura, 1994, p. 38)	Every month there's a survey of clients (advertisers) about satisfaction about the result of the advertising campaign. And from these surveys we get information on clients experience and if there's any negative factors, which are usually expressed in the client leaving us. We analyze the reasons why it happens, why the customer stopped using our services. Then we draw conclusions about how to get back the customer, what methods to use? That is we look at the situation and determine if the

		<p>reasons were objectively or not. if the client left us deliberately, we study the factors that make our clients leave us; ... We work with these factors further to return the client and systematize this information for the future practice. (Prime Sibir)</p>
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All the marketing capabilities discussed in this part of the research are present in table 9 with the citation from the interview illustrating this firm’s capability.

A great example of a firm displaying adaptive marketing capabilities can be an automotive distributor we interviewed Cars Family. They use adaptive experimentation in their marketing activities and even allocate 10% of the budget to experimentations, and use an open marketing system with employing many contractors to enhance the results, have a wider access to new talent and high expertise in marketing, reach higher creativity.

Concerning market oriented strategic flexibility we draw a conclusion that judging by the companies reactions to changing consumer behavior and market conditions during the Covid-19 crisis and since the start of 2022 we can say that all the companies interviewed employ market-oriented strategic flexibility. The example of that capability in action can be Cars family and food wholesaler Samberi that was able to change their customer offerings (in terms of store assortment and provision of a bigger amount of products that were in high demand during Covid-19). The example quotes can be found in table 9.

We also identified that market orientation was common for all the companies that took part in the interviews. All the respondents assured us that consumer research and research of demand is essential to them. And for all of the companies market research played a crucial role in their marketing research practices, including research of the competitors. For instance, a CEO of a medical clinic told us that for them the most important factors for strategical marketing planning is the analysis of the competitors and of course customer preferences and trends: “...we analyze the market based on my competitors. Well, for example when making a market analysis we try to analyze the competitive market, not just the medical services market, but who are the competitors and what are their offers. That is, we analyze competitors by price, by their website, their promotional strategy ... all our business is based on analysis, either its consumer analysis, or competitor or financial or employees effectiveness...”.

Marketing executive from my wine also shared with us some interesting insights about new consumer trends that they have gathered from their research in the wine market: “I mean, Russia

in general in our country, frankly, consumers give preference to semi-sweet and semi-dry wines. That is, well, in our country people do not like brut and other dry wines. Consumers mostly prefer semi-sweet semi-dry wines, both in sparkling wines and still wines. So that's kind of the story here, what trends are we seeing, what's changing now? That is, indeed, slowly the trend is going, in the direction of dry wines and brut. So the consumer begins to understand. This is the first story. Second story. The consumer begins to look for interesting varieties and interesting blends. Because it is clear that the main selling force there is Cabernet, Avignon, Merlot, Sauvignon Blanc, I mean, well, familiar names, but, nevertheless, began to be interested in something interesting. That is, sometimes even with regular Russian varieties we see it. That is, there is a demand for it. There is a trend towards low alcohol products.”

And last but not least, market-based organizational learning concept can be also closely related to other concepts such as market orientation, of companies, however it is more centered around learning from competitors, from your own company mistakes, about your company’s perception in the eyes of consumers etc. Thus, two of the ten companies in our analysis were lacking this capability as they shared that learning the practices of their competitors was not their priority, as (1) they were already market leader in the industry, (2) one company did not at all saw necessary to examine competitor activity due to the small scale of their operations and individual approach to each client. Another thing we learned that one of the companies did not in general put emphasis on their potential and current customer analysis, did not carefully learned about their needs, but was mostly focused on reacting to market trends thus assigning this company the market-oriented strategic flexibility capability rather than market orientation or market-based organizational learning. An online based learning platform representative also confessed that they do not always “follow the market” and do not really “conduct competitors analysis” as they “believe in their own product”. She shared with us that: “That is, in addition to the requirements of the market, we also have, let's say, a personal desire, a personal requirement that if we do not want to work with a particular platform, we will not do it.”

An example of a successful implementation of market-based organizational learning is displayed by a media-selling company Ptime Sibir. They rigorously examine the consumers loyalty and study customer satisfaction to make conclusions, work on their mistakes and become better. The example citations explaining their approach are present in table 9. The company executive provide us with an example of how they conduct research on the consumer retention: “For example, our research can pose the following questions: how many clients left in this month, for what reasons. We examine if these reasons are common to the four regions. So this is a general trend or something special for each region or product category. I mean, here, for example, when there was a conflict or when the malls were closed, respectively, there was a common reason for

all, objectively they stopped advertising because there was no point in advertising because the malls were closed.”

These firm’s capabilities were also positively correlated with firm performance, which means that their development in the future may also yield positive outcomes in performance. As defined by the research conducted by (Ngo et al., 2019) the use and the development of marketing capabilities can significantly raise firm performance. Furthermore, it has been statistically proven in previous research that the positive correlation between adoptive marketing capabilities and firm performance is further amplified during periods of high environmental challenges such as market turbulence, technological turbulence, and competitive intensity, as supported by statistical evidence (Guo, et al., 2018) which makes the further development and enhancement of these capabilities even more essential for firms operating today on the Russian market in very turbulent economic conditions.

Chapter 3: Quantitative analysis

3.1 Chapter summary

In this chapter we describe the algorithm and the process of analysis of quantitative data that was accessed from the GSOM center of for Strategic Marketing and Innovation.

Firstly we will cover research design, then we formulated research hypothesis that are tested using Exploratory and confirmatory factor analysis and multiple linear regression analysis. We then divided data into clusters to compare the two groups of companies less agile and more agile in relation to marketing activities.

Main questions answered in this part of the paper, as well as methods and key findings can be found in table 10.

Table 10 Summery of quantitative research results

Questions	Method	Main findings highlights
Are the same four main element of agility defined by foreign research applicable for practices of Russian firms?	Quantitative: EFA and CFA;	Factor structure was not confirmed New factor structure devised: <ol style="list-style-type: none"> 1. Sense making 2. Speed and flexibility of marketing decision making 3. Iteration (experimentation) 4. Flexibility of marketing decisions
What elements of marketing agility defined	Multiple linear	All four factors contributed positively to the company’s performance.

by the previous research have the most effect on the Russian companies' performance on the local market?	regression modeling	Performance metrics used: operational performance metrics included (Market share growth; growth of relative market share compared to competitors; sales growth and others) Financial performance was measured using: business profitability, return on investment (ROI) and Return on sales (ROS). And customer satisfaction and customer loyalty was also accessed from the view point of implementation of MA.
Do companies that use a more agile approach to marketing generally show a better performance results especially during economic uncertainty (in 2014 and in 2020)?	Cluster analysis and mean value comparison	Performance measures tested: customer satisfaction; operational performance; financial performance.

3.2 Research design

Quantitative research through statistical analysis aims to test the structure of factors constituting the main elements of MA used in qualitative analysis and answer the following questions posed by the research:

“What elements of marketing agility defined by the previous research have the most effect on the Russian companies’ performance?”

We used statistical analysis of quantitative data collected by the survey aimed at identifying the degree of marketing agility of the firm. The survey was constructed and conducted in the beginning of 2022 by the GSOM research center for Strategic Marketing and Innovation. The sample included 218 companies from various sectors of economy and of various sizes.

In the study conducted by the GSOM research center for Strategic Marketing and Innovation the number of questions regarding the four components of agile marketing defined by Kalaignanam et al. (2020) were posed to the interviewed companies. Respondents had to evaluate on a scale form 1 to 5, where 1 – completely disagree, 5 – completely agree the statements presented to them.

These statements were adopted from the description of agile marketing constitutes by Kalaiganam et al. 2020.

For the purpose of researching the use of agile marketing practices in the Russian context and for the sake further analysis we need to investigate the factor structures of the four essential agile marketing elements defined in previous research (Kalaiganam et al. 2020).

In our research we focus on the performance indicators suggested in McKinsey research on agile company performance while measuring the effectiveness of marketing agility actions. McKinsey research of organizations that have successfully implemented agile transformation has found that companies depending on their business sector and type of consumer use a unique set of metrics that are used to determine the effectiveness of an agile transformation.

We adopted the performance metrics outlined by Aghina et al. (2020) who suggested that the key outcome metrics can be divided in a few categories: customer satisfaction; employee engagement; operational performance; and financial performance (Aghina et al. 2020). We in particular used the indicators of customer satisfaction, operational performance indicators and financial performance indicators.

To analyze the financial performance of the companies, historical data on financial performance indicators was collected from SPARK data base on all the companies that participated in the survey. According to the Corporate Finance institute financial ratios can be best used to track company's performance over time, and making comparative judgements regarding firm's performance. Profitability ratios measure the firm's ability to generate profits from its operations. Most commonly used in practice profitability ratios include gross profit margin, net profit margin, return on assets (ROA), and return on equity (ROE). To operate firms operational efficiency the return on sales (ROS) ratio can be used. This ratio provides information about how much profit is produced per each dollar of sales. ROS is an important indicator of a company's financial performance, as it shows how efficiently the company is managing its costs and expenses relative to its sales. A high ROS indicates that the company is generating a significant amount of profit from its operations, while a low ROS indicates that the company's profit margins are thin. Moreover, ROS can be useful for comparing a company's financial performance to its peers or industry benchmarks and to identify trends or changes in the company performance (Corporate Finance Institute: Returns on Sales (ROS)). Return on capital employed is also a useful performance metric for comparing company's returns with peers. (The economic times).

Financial data included companies' profit data, earnings before interest and taxes, data on companies' revenue and profitability ratios. As the financial ratios we took : returns on sales, returns on assets, returns on capital and net profit margin. We also decided to take qualitative

figures including the industry the company operates in, company size, presence of intellectual property, presence and the amount of state contracts, existence of governmental support for the company, and the number of contractors in order to identify which company traits are more suited for agile transformation, as the research has shown that not all companies can successfully implement agile marketing practices into their operations (Kalaiganam et al. 2020). As highlight in the first part of the work we adopted the multidimensional concept of marketing agility defined by Kalaiganam et al. 2020 who identify four primary components of agile marketing: making sense of the market, speed, iteration and marketing decision making.

3.3 Quantitative analysis

3.3.1 Descriptive statistics

Table 11 Descriptive statistics

Company size			
		Frequency	Percent
Size	large	2	0,90
	small	35	16,10
	micro	178	81,70
	medium	3	1,40
	Total	218	100.0

The sample primarily consisted from micro organizations, these group represented 81,7% of all the sample. Medium and large companies represented only 2,3% of the data. And the rest were small companies.

3.3.2 Hypothesis testing and interpretation

As the first step of our research we would like to propose a theoretical model to see if the four factors comprising agile approach to marketing affect company's performance operating on the Russian market. We want to see, which performance indicators are affected by agile characteristics of company's marketing strategies. The goal of building these models is to identify which factors comprising agile approach if any predict firm's performance and to what extent. Regression analysis can be used for predicting an outcome variable from one predictor variable through simple regression modeling or several predictor variables using multiple regression modeling (A. Field, 2009, p. 198).

Thus, to identify the relationship between the four constructs of marketing agility and the firm financial performance we propose to build a multiple regression model. However, before

running the regression model, normality and collinearity tests have to be conducted (Coakes and Ong, 2011). The central limit theorem states that if the sample size is larger than 100 observations, then it can be assumed that the data is normally distributed. As the sample that we use in this research is greater than 100 (n=221) we make an assumption that our data is normally distributed and has a linear relationship.

We will use the method of least squares to establish the line that best describes the data collected. (A. Field, 2009, p. 198).

Thus, we propose the following theoretical model:

$$Y = b_0 + b_1 * X_1 + b_2 * X_2 + b_3 * X_3 + b_4 * X_4,$$

where X_1 variable is sense making capability, X_2 is speed capability, X_3 iteration capability and X_4 is flexibility of decision making

Dependent variables studied:

Customer satisfaction: customer satisfaction, formation of customer loyalty, creating value for consumers

Operational performance: Number (share) of successful new products, The success of bringing new products or services to market, time required to bring new products to market, Sales growth, Increased sales to current customers, Growth of relative market share compared to competitors, Attracting new customers

Financial performance: Business profitability, Return on investment (ROI), Return on sales, Market share growth, companies' profits, earnings before interest and taxes, revenue and profitability ratios.

Predictors: As primary predictors we want to look at the 4 factors constituting marketing agility concept. However, the four factors need to be consolidated as they can be inferred not from one particular question asked in the survey, but from multiple. The questions were answered using ranking from 1 – do not agree, to 5 – completely agree, thus forming ordinal variables. Thus we assume the formation of variables into following factors presented in table 12.

Table 12 Identified factor structure

Making sense of the market	Sense making_1	Ability to constantly monitor and feel the trends on the market
	Sense making_2	Ability to quickly recognize changes on the market

	Sense making_3	Ability to accurately predict of trends and events on the market before they become completely obvious
Speed	Speed _1	Ability to accurately predict of trends and events on the market before they become completely obvious
	Speed _2	Ability to reduce the time from product concept to launch in order to respond quickly to changes in customer needs.
	Speed_3	Ability to quickly change the range of our products
	Speed _4	Ability to quickly change activities that do not lead to the desired effect
Iteration (experimentation):	Exp_1	Ability to approach marketing activities as cycles of experimentation and learning
	Exp_2	Ability to test a lot of different ideas before finding the right one
	Exp_3	Ability to use trial and error to find the right marketing solution
Flexibility of marketing decisions:	Flexibility_1	Ability to be flexible due to the wide variety of products in our assortment
	Flexibility_2	Ability to create new products by making minor modifications to existing ones
	Flexibility_3	Ability to adapt our products and services to meet the needs of the market

	Flexibility_4	Ability to adjust the marketing strategy when needed (e.g. without waiting for the end of the year)
	Flexibility_5	Ability to transfer marketing budgets to the most relevant areas without waiting for the end of the budget period

3.3.3 Confirmatory factor analysis

To measure the latent constructs of the research and confirm the factor structures of a set of variables that we identified: market sensing, speed, experimentation and flexibility (Kalaiganam et al. 2020) the confirmatory factor analysis (CFA) with maximum likelihood estimation method was chosen to assess the convergent and discriminant validity for our supposed factors (Gerbing and Anderson 1988). Structural equation modeling (SEM) allows researcher to discover if the hypothesized model fit the data well. The analysis was conducted using the same approach, used by Rajdeep Grewal and Patriya Tansuhaj, 2001, in the marketing research where the authors aim to measure the effect of market orientation and strategic flexibility effect on managing economic crisis by the companies. Confirmatory factor analysis is used to test the validity of the measurement model including 5 assumed factors (Grewal R. et al., 2001).

First the data was analyzed using the Statistical Package for Social Science (SPSS) version 20 to determine the reliability of the data collected by the survey using Cronbach's Alpha examination, and correlation analysis to determine the validity of factor loadings (Hair et al. 2010).

Before conducting confirmatory factor analysis using analysis of moment structures (AMOS) we conducted a reliability analysis and an exploratory factor analysis.

3.3.4 Validity and reliability

Hair et al. (2010) defined reliability as an assessment of the degree of consistency between multiple measurements of a variable.

Table 13 Model reliability measures

Measurement model	Cronbach's Alpha	Item	Corrected Item-total correlation
Sense making capability	0,713	SM1	0,389
		SM2	0,72

		SM3	0,543
Speed	0,623	Spd1	0,353
		Spd2	0,347
		Spd3	0,537
		Spd4	0,384
Experimentation capability	0,834	Exp1	0,595
		Exp2	0,769
		Exp3	0,75
Flexibility	0,743	Flex1	0,433
		Flex2	0,439
		Flex3	0,581
		Flex4	0,511
		Flex5	0,573

The Cronbach's Alpha coefficient measures the intrinsic reliability of extracted data. The coefficient ranges from 0 to 1 values, however, coefficient has to be larger than 0.5 to be considered acceptable. For all latent constructs studied in the research Cronbach's Alpha ranges from 0,623 to 0,834 (Hair et al., 2010). Corrected item total correlation is greater than 0,3 and ranges from 0,3 to 0,7 which is considered sufficient for a good scale (Ferketich 1991). However, according to the Item-Total Statistics table, if Market sensing_1 will be excluded, then of Cronbach's Alpha will rise to 0,79. Thus, we excluded Market sensing_1 from the first factor. Then, before conducting an exploratory factor analysis correlation matrix with our predictors was built with a purpose to identify variables correlating with each other in order to investigate if the sample can be reduced by grouping variables using factor analysis to avoid multicollinearity and build a more representative data set. (K.A. Pituch & J.P. Stevens, 2016). According to the KMO and Bartlett's test of sphericity the sample was determined as adequate for further factor analysis: $\text{sig} < 0.05$. We conclude that R-matrix is different from identity matrix and there are no problems in our data, that there is no multicollinearity between examined variables or the absence of non-correlated variables. We also checked sampling adequacy for multiple variables using Kaiser-Meyer-Olkin statistics. Kaiser-Meyer-Olkin statistics (KMO) > 0.5 , KMO (equaled 0,756) we concluded that sampling is adequate for factor analysis. Sampling was considered as adequate for individual variables using ANTI-IMAGE MATRIX of covariances and correlations. Diagonal anti-image correlations were all greater than 0.5.

We conduct factor analysis using Kaiser’s extraction method (1960) and examined a scree plot to determine the number of factors that can be created. We used a scree plot as the sample size was greater than 200 items (K.A. Pituch & J.P. Stevens 2016).

Table 14 Component Correlation Matrix

Component	1	2	3	4
1	1.000	.185	.339	.304
2	.185	1.000	.162	.057
3	.339	.162	1.000	.253
4	.304	.057	.253	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

In our analysis there is no medium or strong correlation between factors themselves, all correlations are lower than 0,5, thus, we can conclude that orthogonally rotated solution (varimax) is more suitable for the sample (K.A. Pituch & J.P. Stevens 2016). Thus, we used the rotated solution to improve results. We saw that the correlation coefficients were greater than 0.5 and we can make the conclusion that the effect is high. There is no multicollinearity between factors, as all correlation coefficients are lower than 0,8.

After the initial exploratory factor analysis was done, corrections to the data were made. Variables with low communalities <0.4 were excluded from the factor structures. Communalities represent the proportion of each variable’s variance that can be explained by the factors (e.g., the underlying latent continua) (A. Field (2007)). Thus, speed_2 was excluded (communality measure = .357), and flexibility_2 was also excluded from the factor analysis (communality measure = .364).

Second model with excluded variables yielded better results, however variables sp1 and flex3 still showed communality values less than 0,5. The communality tables can be found in appendix 1.

However, for the better model results we can also exclude values that are lower than 0,5 (A. Field (2007)), including speed_1 and flexibility_3.

The resulted model can be considered as more reliable. All communality measures are > 0,5.

The results are presented in table 15.

Table 15 Rotated Component Matrix

	Component			
	1	2	3	4
exp_3	.890			
exp2	.888			
exp1	.742			
sp3		.848		
sp4		.752		
flex1		.624		
ms2			.899	
ms3			.895	
flex4				.896
flex5				.806

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

As the result of conducted factor analysis we have discovered that 4 factors were identified, however the assumed factor structure has not been confirmed. Problems appeared with the variables speed_1 and speed_2: “We can meet the changing needs of customers faster than our competitors” and “We reduce the time from product concept to launch in order to respond quickly to changes in customer needs” that were assumed to be attributed to the speed element. As well as with flexibility measure.

This can be explained by the close connection of flexibility competences with speed of reaction abilities of the firm. Thus, the factor analysis explained that “ability to be flexible due to the wide variety of products in our assortment”, “ability to quickly change the range of our products”, “ability to quickly change activities that do not lead to the desired effect” are closely related and can be formed into a factor.

The first factor - Experimentation capability

This factor includes the following abilities of the firm:

Exp_1- Ability to approach marketing activities as cycles of experimentation and learning

Exp_2 - Ability to test a lot of different ideas before finding the right one

Exp_3 - Ability to use trial and error to find the right marketing solution

The second factor – Speed and flexibility of marketing decision making

The second factor includes the following abilities of the firm:

Speed_3 - Ability to quickly change the range of our products

Speed_4 - Ability to quickly change activities that do not lead to the desired effect

Flexibility_1 - Ability to be flexible due to the wide variety of products in our assortment

The third factor - Sense making capability

The third factor includes the following abilities of the firm:

Sense making_2 - Ability to quickly recognize changes on the market

Sense making_3 - Ability to accurately predict of trends and events on the market before they become completely obvious

The forth factor – Flexibility

The forth factor includes the following abilities of the firm:

Flexibility_4 - Ability to adjust the marketing strategy when needed (e.g. without waiting for the end of the year)

Flexibility_5 - Ability to transfer marketing budgets to the most relevant areas without waiting for the end of the budget period

Then we checked for the reliability of each factor using Split-Half Reliability Method and Cronbach's Alpha. Values > 0.7 or 0.6 are generally considered acceptable and the factors are considered to be reliable (Hair et al. 2010).

F1 – 0,72

F2 – 0,676

F3 – 0,79

F4 – 0,76

1. After the EFA the CFA analysis was conducted using SPSS AMOS 28 to check the model fit. After CFA was carried out, it was found that several items of latent constructs needed to be deleted from the model due to their low loadings on reliability analysis.

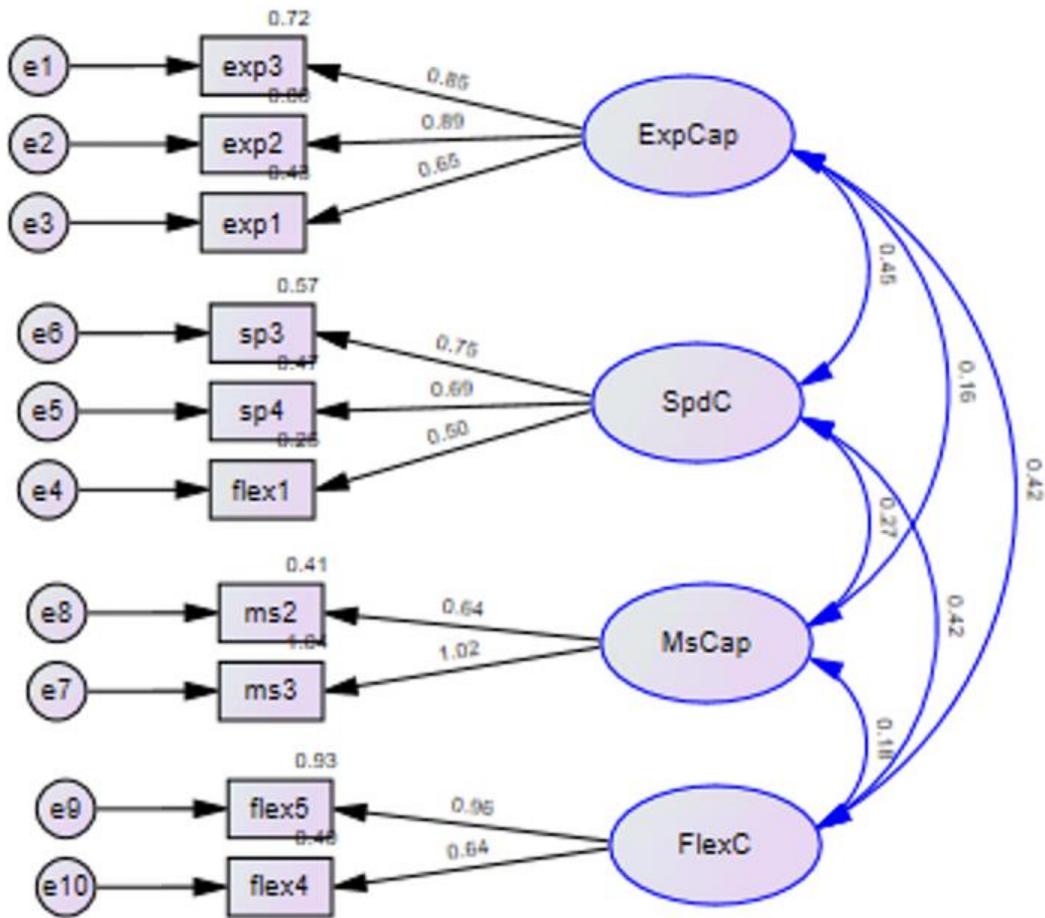


Figure 4 Theoretical factor model in AMOS

Table 16 Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
exp_3	<---	ExpCap	0.846
exp2	<---	ExpCap	0.893
exp1	<---	ExpCap	0.653
flex1	<---	SpdC	0.504
sp4	<---	SpdC	0.688
sp3	<---	SpdC	0.755
ms3	<---	MsCap	1.021
ms2	<---	MsCap	0.639
flex5	<---	FlexC	0.964
flex4	<---	FlexC	0.636

Table 17 Model fit measures

	Value	Recommended value	Measure	Source
CMIN/df	2,001	1 < CMIN/df < 5	Excellent	Ullman (2001)
GFI	0,906	>0,9	Acceptable	Hair et al. (2010)
CFI	0,96	>0,9	Excellent	Bentler (1990)
TLI	0,938	>0,9	Excellent	Hu and Bentler (1999)
RMSE	0,068	<0,08	Acceptable	Hu and Bentler (1999)

To confirm that the confirmatory factor analysis (CFA) and the measurement model has a good fit, several essential indices were checked. The CMIN/DF should be between 1 and 5. The Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) should be greater than 0.9, but due to GFI sensitivity, AGFI is recommended. The AGFI should be greater than 0.8 to be considered sufficient. The Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) are the most reliable indices, and they should be greater than 0.9 to indicate a good model fit. In this model, the TLI was 0.906 and the CFI was 0.96, indicating a good fit. Hu and Bentler stated that CFI and TLI larger than .95 and RMSEA smaller than .08 and a indicate relatively good model-data fit in general (Bentler 1999).

The Root Mean Square Error of Approximation (RMSEA) should be between 0.06 and 0.08 to indicate a good fit, with a PCLOSE value greater than 0.05. The PCLOSE value of this model was 0.068, which is considered acceptable. After analyzing the most important fit indices, it can be concluded that all reached a satisfactory level of goodness-of-fit and were consistent with previous studies (Bentler 1999).

After confirming the goodness-of-fit for the model we proceeded with further analysis of the data using linear regression modeling.

1. Company performance indicators measured using the company survey were split into 3 groups of performance measurements reflecting operational performance indicators and financial performance indicators, customer satisfaction and customer loyalty. They can be found in table 17.

Table 18 Performance measures

Operational performance indicators	<ul style="list-style-type: none"> ✓ Market share growth ✓ Growth of relative market share compared to competitors
------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------

	<ul style="list-style-type: none"> ✓ Sales growth ✓ Attracting new customers ✓ Increased sales to current customers ✓ Number (share) of successful new products ✓ The success of bringing new products or services to market ✓ Time required to bring new products to market
Financial performance indicators	<ul style="list-style-type: none"> ✓ Business profitability ✓ Return on investment (ROI) ✓ Return on sales
Customer satisfaction measures	<ul style="list-style-type: none"> ✓ Customer satisfaction ✓ Creating value for consumers ✓ Formation of customer loyalty

These measures of performance were chosen from the survey, as they are important indicators of company's financial, operational performance and customer relations.

These metrics are useful for evaluating a company's operational performance because they incorporate both financial and non-financial measures, providing a holistic perspective on the company's current and future performance. As Kaplan and Norton (2001) propose that incorporating both types of measures in a balanced scorecard methodology can help organizations achieve their strategic goals by providing a more comprehensive perspective on performance.

Before performing regression analysis we built correlation matrix to identify interdependencies of predictors (4 marketing agile constitutes) and the predicted variables (performance measures).

From correlation analysis, that was used, to identify if there is an interdependence of our dependent variables representing company's effectiveness and the independent variables (flexibility and speed of reaction capability, experimentation capability, sense making capability, speed capability) we received the following results presented in the table below. The measures of

significance 2-tailed is presented in the table 18. The significance level (2 tailed) needs to be less than 0,05 for the correlation to be considered strong (K.A. Pituch & J.P. Stevens 2016).

Table 19 Correlation

Performance indicators	EXPC	SPC	SMC	FLXC
1. Market share growth	<,001	0,013	0,01	0,034
2. Growth of relative market share compared to competitors	0,004	0,04	0,002	0,171
3. Sales growth	0,02	0,003	0,276	0,046
4. Attracting new customers	0,115	0,143	0,285	0,01
5. Increased sales to current customers	0,978	0,054	0,091	0,01
6. Number (share) of successful new products	<,001	<,001	0,006	0,095
7. The success of bringing new products or services to market	0,005	<,001	0,007	0,073
8. Time required to bring new products to market	<,001	<,001	0,002	0,066
9. Business profitability	0,291	0,113	0,006	0,668
10. Return on investment (ROI)	0,034	0,091	0,059	0,085
11. Return on sales	0,303	0,039	0,005	0,121
12. Customer satisfaction	0,114	0,196	0,144	<,001
13. Creating value for consumers	0,005	0,017	0,106	<,001
14. Formation of customer loyalty	0,037	0,159	0,021	0,061

** , Correlation is significant at the 0,01 level (2-tailed),

*. Correlation is significant at the 0.05 level (2-tailed).

From the results of the correlation analysis we can make a conclusion that not all four components of marketing agility have strong correlation with the performance measures. Variables under analysis are normally distributed according to the results of p-p plots that are presented in the appendix 2.

3.3.5 Regression modeling hypothesis testing and results

For running the regression we assume the linearity of our data. Basing on the results of factor analysis, both EFA and CFA and correlation analysis we can formulate the following hypothesis:

H1 : All 4 principle components of marketing agility affect company's operational performance – market share growth

H2: the degree of company's experimentation capability, speed capability and ability to make sense of the market conditions influence the growth of relative market share compared to competitors

H3: the degree of company's experimentation capability, speed capability and ability to be flexible influence sales growth

H4: the degree of company's ability to be flexible influence sales growth has an contributes to how well the company can attract new consumers

H5: the degree of company's ability to be flexible contributes to how well the company can attract new consumers has an influence on the amount of sales to customers and their growth

H6: the degree of company's experimentation abilities, ability to be fast in reaction and ability to make sense of the market conditions contribute to the number of successful new products launched

H7: the degree of company's experimentation abilities, ability to be fast in reaction and ability to make sense of the market conditions contribute to the success of bringing new products or services to the market

H8: the degree of company's experimentation abilities, ability to be fast in reaction and ability to make sense of the market conditions affect the time required to bring new products to market (shorten this time period).

H9: The ability to make sense of the market influences business profitability

H10: Experimentation capability of the firm influences returns on investments

H11: the degree of company's ability to be fast in reaction and ability to make sense of the market conditions affect ROS.

H12: the degree of company's experimentation capability, ability to be rapidly react to the situation and ability to be flexible affects the company's ability to create value for consumers.

H13: the degree of company's experimentation abilities and ability to make sense of the market conditions contribute to the formation of customer loyalty towards the brand

To test the hypothesis we ran regression modeling using IBM SPSS 28 statistical analysis tool. Results of the regression analysis are presented in the table 20.

Table 1 Regression model quality metrics

	R ²	Sig.	F	Hypothesis
1. Market share growth	0,162	<0,001	10,328	Accepted
✓ Growth of relative market share compared to competitors	0,101	<0,001	8,015	Accepted
✓ Sales growth	0,084	<0,001	6,53	Accepted
✓ Attracting new customers	0,03	<0,001	6,73	Accepted
✓ Increased sales to current customers	0,031	0,010	6,828	Accepted
✓ Number (share) of successful new products	0,163	0,010	13,904	Accepted
✓ The success of bringing new products or services to market	0,143	0	11,887	Accepted
✓ Time required to bring new products to market	0,208	0,001	18,79	Accepted
✓ Business profitability	0,034	0,006 ^b	7,611	Accepted
✓ Return on investment (ROI)	0,021	0,034 ^b	4,563	Accepted
✓ Return on sales	0,156	.002 ^b	6,223	Accepted
✓ Customer satisfaction	0,052	<0,001	11,900	Accepted
✓ Creating value for consumers	0,117	<0,001	9,462	Accepted

✓ Formation of customer loyalty	0,044	0,008	4,993	Accepted
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Table 21 Regression coefficients (operational performance measures)

Dependent measure: Independent variable :	Market share growth	Growth of relative market share compared to competitors	Sales growth	Increased sales to current customers	Number (share) of successful new products	The success of bringing new products or services to market	Time required to bring new products to market
Constant	3,087	2,959	3,362	3,45	3,353	3,266	3,165
EXPC	0,174	0,183	0,15			0,248	0,197
SPC	0,102	0,132	0,192			0,271	0,286
SMC	0,106	0,199				0,188	0,19
FLXC	0,087		0,129	0,154	0,152		

Table 22 Regression coefficients (financial performance measures)

Dependent measure:			
Independent variable :	Business profitability	Return on investment (ROI)	Return on sales
Constant	2,78	2,495	2,945
EXPC		0,135	
SPC			0,137
SMC	0,165		0,183
FLXC			

Table 23 Regression coefficients (Customer satisfaction and loyalty)

Dependent measure:			
Independent variable :	Customer satisfaction	Creating value for consumers	Formation of customer loyalty
Constant	3,661	3,615	3,587
EXPC		0,172	0,138
SPC		0,145	
SMC			0,153
FLXC	0,196	0,21	

*All b coefficients are significant with $p < 0,05$

All the models were considered significant with the significant level, $p < 0,05$. Thus, we accept all the hypothesis. The b coefficients of the predictors are presented in table 23.

There is no autocorrelation in the sample. Using the sum of squares and F-test (from the Anova table) concluded that models can be considered statistically significant at 99% level ($F \text{ statistic} < 0.05$), $p \text{-value} < 0,05$ means that significance level is less then 0,05 and that the null hypothesis can be rejected and the formulated hypothesis can be accepted.

R squared represents the percentage of variance explained by the model. R squared are not vary high for the models. This may mean, that some other significant variables are omitted. All the predictors, however, significantly contribute to predicting the outcome at 99% significance level $p < 0,05$ for all variables. There is no multicollinearity of predictors in this model meaning that predictors are not closely linearly related to each other. According to the histogram, we can say

that the residuals distribution is close to normal. Also, by analyzing the P-P plots, we confirmed the assumption of normal distribution of residuals. (A. Field 2007).

According to the regression modeling results for the financial performance measures different marketing agility factors resulted to be more important. The b coefficients are presented the table 23.

The constant values for each independent variable represent the expected value of the dependent measure when all independent variables are zero. The coefficients show how much the dependent measure changes when the corresponding independent variable increases by one unit, while holding all other independent variables constant. For example, an increase of one unit in EXPC is associated with an expected increase of 0.174 or 17,4 percentage points in the dependent measure, holding all other independent variables constant. Similarly, an increase of one unit in SPC is associated with an expected increase of 0.132 in the dependent measure, holding all other independent variables constant.

Overall, we can say that all four components of agile marketing have an impact on the company's operational performance indicators. The assumptions that we had based on the literature review can be confirmed.

If we look at the first performance measure studied: share growth we see from the analysis that all agility factors significantly contribute to the share growth, however, experimentation capability plays the most significant role and contributes the most to the growth of company's market share.

Second operational performance indicator was growth of relative market share compared to competitors. For that performance outcome only three of four MA components had significant effect – experimentation, speed & flexibility of marketing decision making and market sensing. The most important MA capability for that performance outcome is making sense of the market. As the most important factor for sales growth we identified speed & flexibility of marketing decision making.

However only flexibility capability statistically significantly can influence the growth of sales to current consumers and to the number of successful new products launched.

Speed and flexibility of marketing decision making in turn is identified to contribute the most to the success of and time required to bring new products to market.

Overall, we see that all of the four components of MA influence the firm's financial, operational performance and enhance customer relations with all other factors held constant.

3.3.6 Cluster analysis and results

As the third step we can create clusters of companies based on the 4 constructs of agile marketing that were discovered during the EFA and CFA.

We conducted cluster analysis to create clusters of companies in order to group companies according to their characteristics based on the 4 constructs of agile marketing that were discovered during the EFA and CFA.

We performed clustering using the mean values of the factor grouping of results from the questionnaire (the mean value of responds according to factor structures defined by the EFA and CFA).

We firstly used the Two-step clustering analysis (TSC). First of all this method was selected as it automatically selects the appropriate number of clusters, based on internal validation criteria, such as Bayesian information criterion (BIC) or Akaike information criterion (AIC) (Steinley 2006). Moreover, TSC can handle large datasets and it is adaptable to different data structures which is useful for our research, as we deal with a relatively large sample of more than 200 observations. After conducting cluster analysis using two-step clustering in SPSS statistical software 4 clusters were created. Cluster distribution can be found in figure 2.

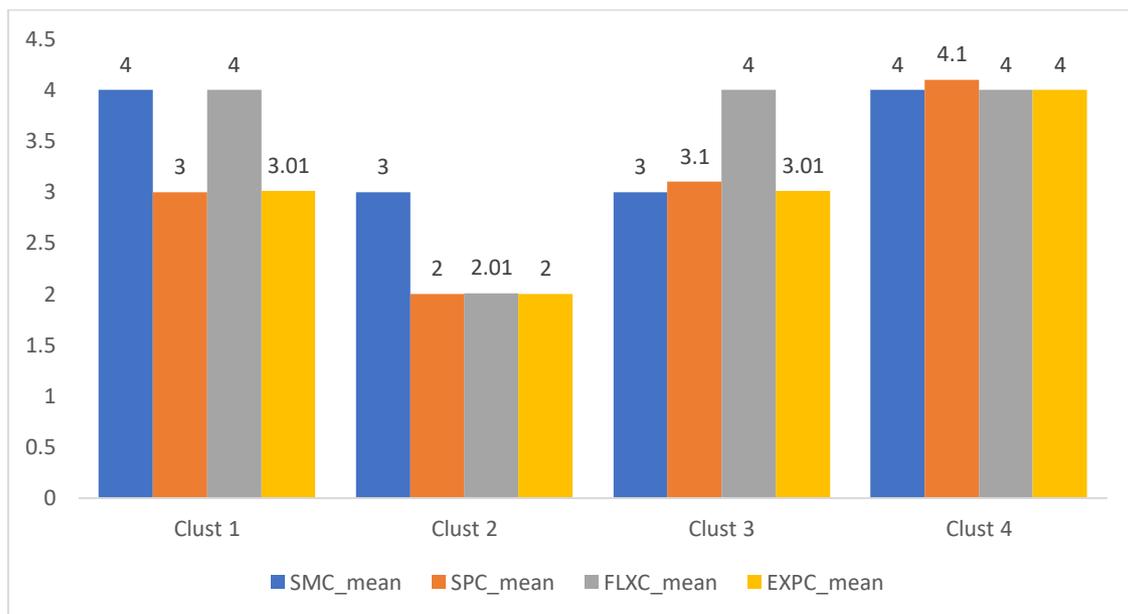


Figure 5 Two-step clustering

Model Summary

Algorithm	TwoStep
Inputs	4
Clusters	4

Cluster Quality

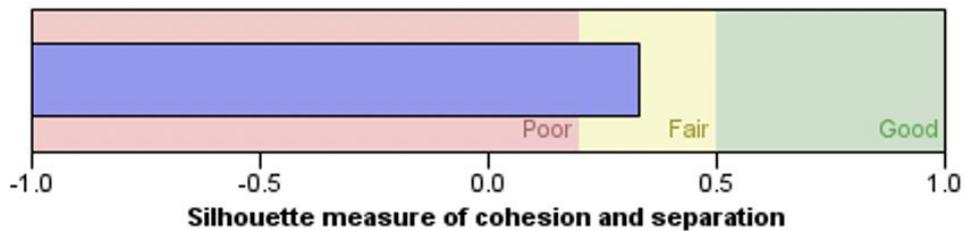


Figure 6 model summary

The quality of the clustering model was determined by silhouette score. The silhouette score measures the similarity of data points within a cluster compared to other clusters. A score close to 1 indicates that the data point is well-matched to its own cluster and poorly matched to neighboring clusters. A score close to 0 indicates that the data point is equally similar to neighboring clusters. A score close to -1 indicates that the data point is assigned to the wrong cluster (Rousseeuw 1987). Our model scored between 0 and 0,5 which is not ideal and means that the clustering is not vary clear and may require further investigation or different clustering algorithm. Thus we decided to use another clustering method.

Another methods that can be used to cluster the data is K-means clustering. Cluster analysis using K means clustering is a popular technique used in marketing research. This method is used to group similar objects into clusters based on their characteristics or attributes. K-mean clustering attempts to identify relatively homogeneous groups of cases in the data based on the set characteristics. K means clustering is a simple and efficient algorithm that can be applied to a wide range of data sets. It works by randomly assigning data points to a set number of clusters, then iteratively adjusting the clusters until the objects within each cluster are as similar as possible. This process continues until the clusters remain stable, and the algorithm converges to a solution. (Kantardzic, 2011). By grouping similar objects together in this research, we can gain insights about our sample and the degree of marketing agility present.

From the grouping we can also proceed further to investigate the differences between received clusters.

Thus, we used the k-means clustering approach further to define more representative solutions for clustering the data. Before performing cluster analysis we performed a standardization procedure. According to Jolliffe (2011), standardizing variables before clustering can help to avoid bias in the clustering results. Moreover, it helps to ensure that each variable contributes equally to the clustering analysis and helps to make the distances between observations more meaningful (Everitt et al. 2011).

Table 24 Anova table

ANOVA						
	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
ZEXPC_mean	67.508	1	.692	216	97.542	<.001
ZSPC_mean	60.145	1	.726	216	82.823	<.001
ZSMC_mean	58.397	1	.734	216	79.530	<.001
ZFLXC_mean	43.153	1	.805	216	53.617	<.001

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

Our null hypothesis was: that there is no significant difference between clusters. H1 states that there is a significant difference and a distinct number of clusters can be created. To determine the significance of the cluster model we used the ANOVA test (Analysis of Variance) which compares the variation between clusters to the variation within them (Steinley, 2004). Specifically, it tests whether the difference between the means of the variables within each cluster is significant or not (Bramer, 2007). According to the ANOVA table, all the factors are statistically significant and thus significantly contribute to the cluster model and thus it can be inferred that the clusters identified by k-means are statistically significant (Jain et al., 1999). The statistical significance of a cluster model refers to the degree to which the model accurately represents the data and the patterns within it. A cluster model is considered statistically significant if the clusters are distinct, meaningful, and useful for understanding the data. After the k-means clustering analysis was conducted 2 distinct clusters were formed with 148 cases assigned to cluster 1 and 70 cases to factor 2.

Table 2 Cluster structures

	Cluster 1	Cluster 2
Number of cases	148	70

The cluster distribution can be seen in figure 2. First cluster constitutes of the companies that evaluated their experimentation, ,market sensing, speed and flexibility capabilities higher. In the second cluster are those companies that evaluated their agile marketing capabilities as being on the low level.

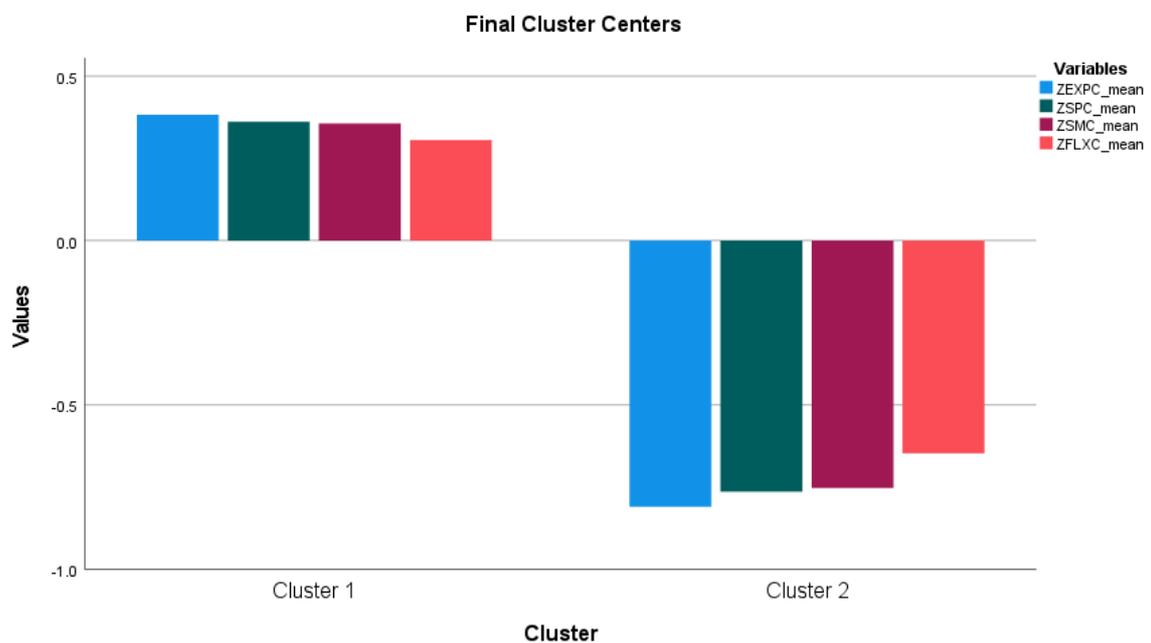


Figure 7 Cluster distribution (K-means clustering)

2.3.6 Comparing means

We split the data, to be grouped by clusters and then we looked at descriptive statistics, comparing means for financial performance measures (including revenue, profit, net profit margin, ROE and ROA) in order to answer one of the questions posed by the research and determine if there are differences in financial performance depending on the degree of marketing agility (companies in cluster 1 evaluated their practices as more agile that those in cluster 2).

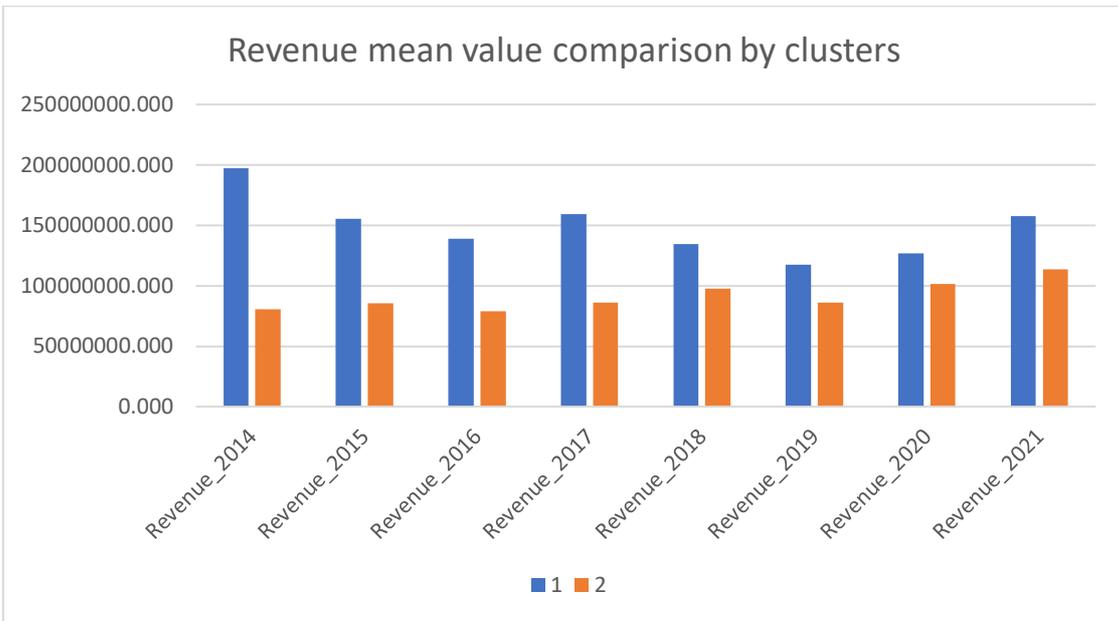


Figure 8 Revenue comparison by clusters (2014-2021)

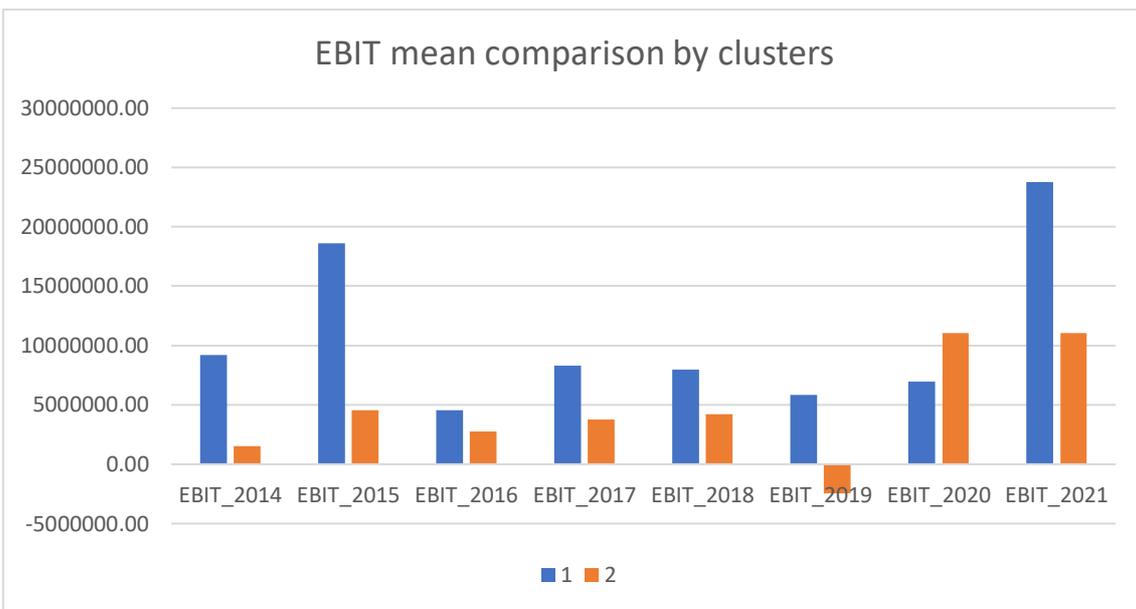


Figure 9 Comparison of earnings before interest and tax (EBIT) by clusters (2014-2021)

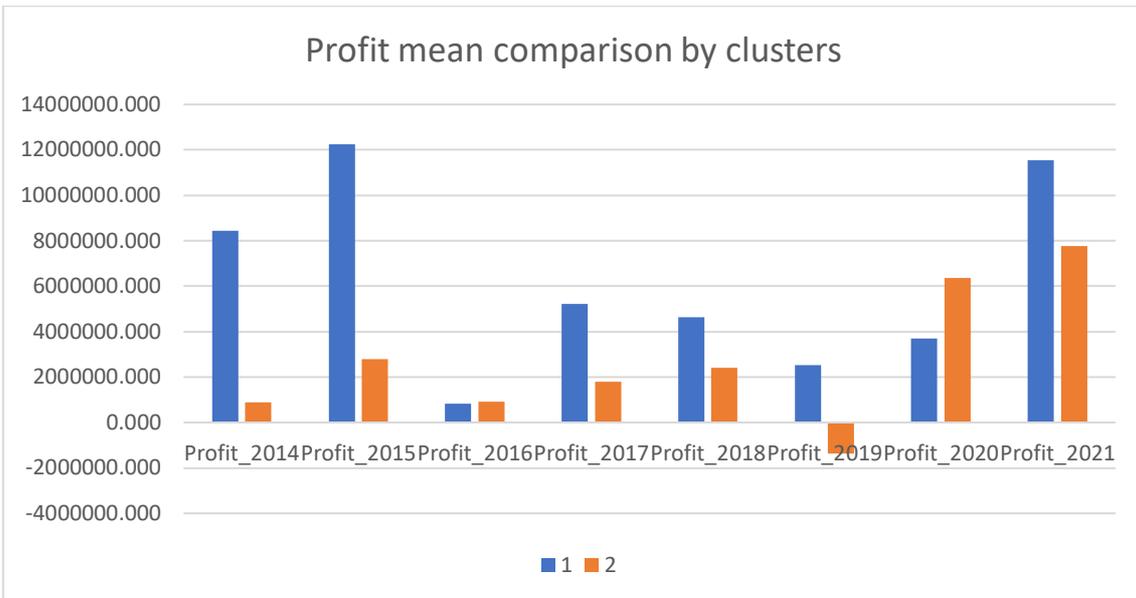


Figure 10 Profit comparison by clusters (2014-2021)

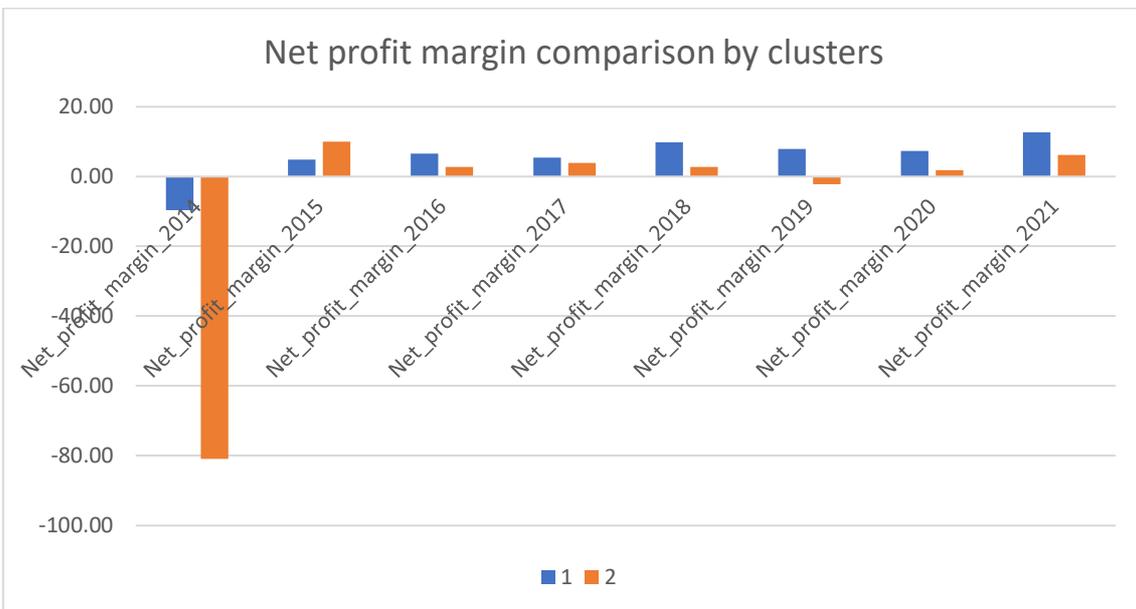


Figure 11 Net profit marging comparison by clusters (2014-2021)

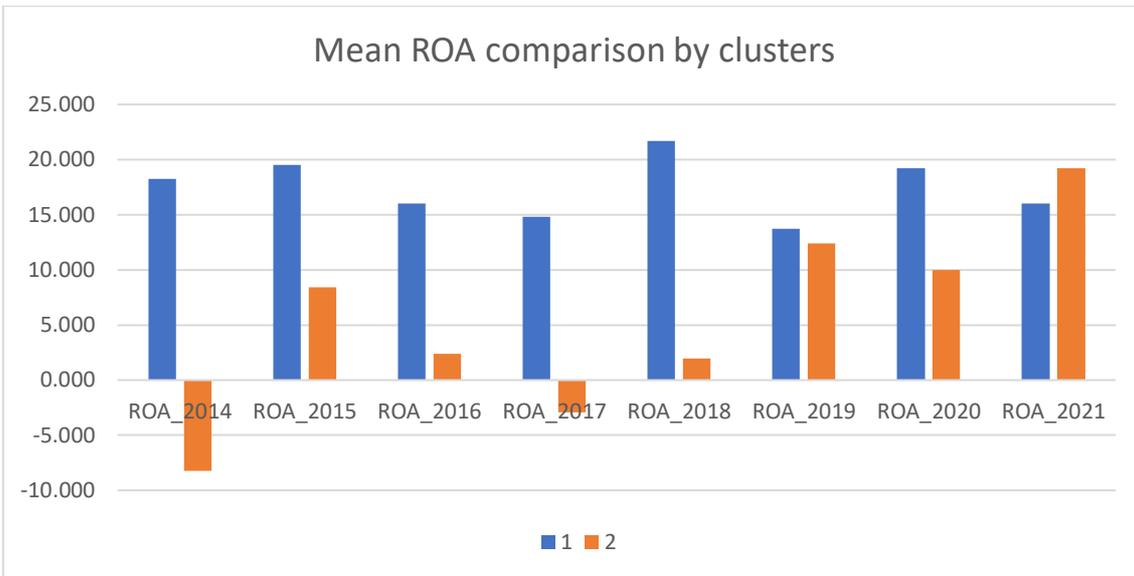


Figure 12 Returns on assets (ROA) comparison by clusters (2014-2021)

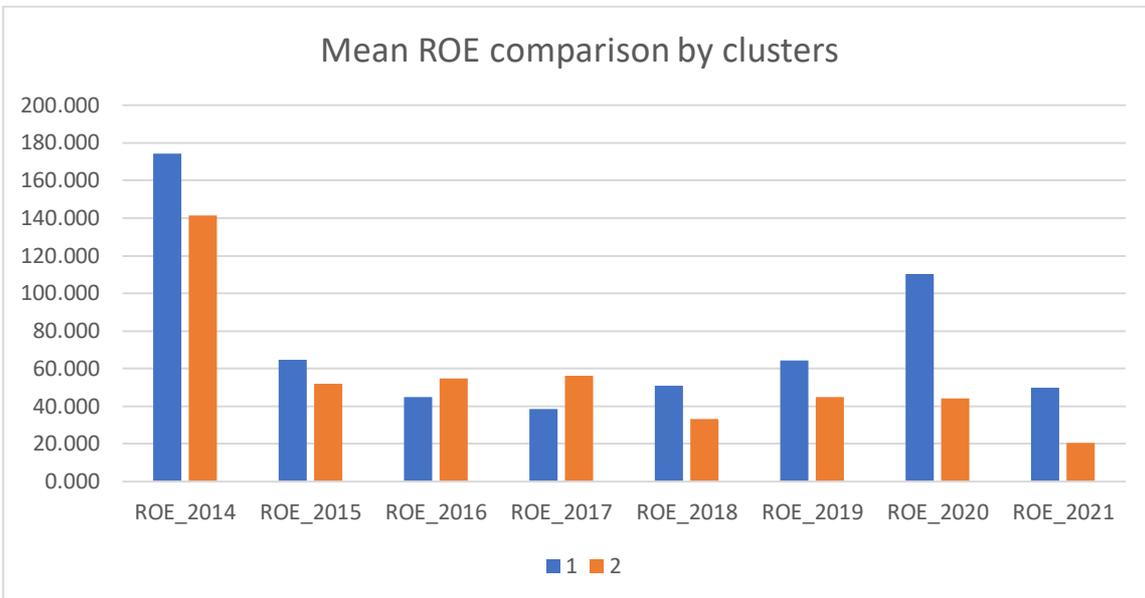


Figure 13 Returns on equity (ROE) comparison by clusters (2014-2021)

Overall we see that in general companies under analysis in a group with better developed agile marketing capabilities performed better throughout last eight years. We provide a more detailed discussion of the results of the mean comparison analysis by clusters in the part of results discussion of this paper.

Chapter 4 Discussion of results and prospects for further research

4.1 Qualitative research results discussion

Our assumption that companies resort to flexible marketing practices intuitively, without defining their actions as an agile approach has been partially confirmed. All of the companies we

interview use at least some elements of agile marketing approach, even if they at first stated otherwise. A great example of that can be “My wine” that in the beginning of the interview stated that they do not use agile principles in their work, however after analysis of their marketing activities during the interview realized that some of the elements of MA defined by (Kalaignanam et al. 2020) were being used by the company. In particular, for instance the company is being flexible with experimenting with new materials for wine capping and wine aging (These actions can be also characterized in part as implementation of market-oriented strategic flexibility). However, we identified that these capabilities can and should be further developed for higher effectiveness of the firm, especially those operating under dynamic and turbulent market conditions (Khan 2020).

Our assumption that the level of awareness of the agile concept in general and of agile marketing concept and specific practices provide a competitive advantage was also partly confirmed. Here we examined marketing executives and business owners awareness and altitude toward agile practices in their business and in marketing operations particularly. The conclusion was made that truly the degree of awareness of the concept and its essential elements: speed of reaction, speed of marketing decision making, market sensing, implementation of experiments into marketing practices (Kalaignanam et al. 2020), implementation of cross-functional teams, open innovation and constant ongoing research and analytics (Kotler 2021) influences the success of development of MA essential capabilities.

After speaking with executives from firms of different sizes operating in various industries we came to the conclusion that there exist a number of limitations that companies face that are specific to the Russian business.

Marketing agility requires the development of an organizational culture and structure that values innovation, experimentation and flexibility (Kalaignanam et al. 2020), however our analysis showed that commonly companies lack these characteristics and their corporate culture and structure are underdeveloped and not ready for successful MA implementation.

However, we , main challenges that need to be addressed for more effective agile marketing practices implementation identified during this research and consolidated can be put as follows:

- ✓ Lack of human resources for effective implementation of cross-functional team project work
- ✓ Poorly developed organizational culture where cross-functional teamwork is not common
- ✓ Lack of knowledge sharing activities due to again lack of personnel who would be willing to organize and lead knowledge sharing activities, such as weekly meetings with case-sharing from other departments or subsidiaries
- ✓ Lack of employee initiative and willingness to take responsibility

- ✓ Lack of autonomy of personnel
- ✓ Shortage of financing (budget allocation for marketing activities)
- ✓ Belittling the importance of marketing department in the companies
- ✓ For larger companies and state-owned companies Bureaucratic processes cripple flexibility and speed of making decisions and altering necessary activities.

Our interview results also confirmed the prerequisites necessary for MA (Kalaiganam et al. 2021) implementation and we came to the conclusion that companies need to evaluate these company element defined by Kalaiganam et al. 2021 and to take into account possible challenges that can arise before companies to understand what changes need to be made in order to successfully implement MA into daily operations.

Moreover, during the thematic analysis of the interviews we discovered that companies became motivated to become more flexible and agile due to external factors (including economic and political factors that contribute to unpredictability of the market) that impacted the way they conducted business. This finding coincides with the statements found in the theory that, the distinctive features of MA foster modularizing tasks and processes, result in increased flexibility, speed, and responsiveness to unstable market dynamics, or in other words, greater agility (Homburg et al., 2020) and thus are better suited for work under unstable and rapidly changing conditions.

These external factors included predominantly effects from the COVID-19 pandemic such as government restrictions and changes in consumer behavior, as well as SMO effects like severe economic sanctions, trade restrictions, high inflation rates, skyrocketing interest rates, and decreased disposable income and purchasing power of population. However, executives we interviewed admitted that transitioning and changing their usual activities was difficult.

For example, the marketing director of a wholesaler called "Samberi" stated that they were unprepared for the sharp increase in demand for long-term storage products at the beginning of the pandemic. They experienced a shortage of products and had to limit purchases per customer. Additionally, when the second crisis hit in the beginning of 2022 with the implementation of numerous foreign economic sanctions, they had to stop all marketing operations.

We made a conclusion that companies that lacked adaptation capabilities faced tougher situations during major market changes, while those that were already flexible were better able to adopt to market conditions and turn the situation to their advantage.

However, other respondents saw the crisis as a time for opportunities and growth. Companies that were already using flexible practices and were familiar with rapid change admitted that they managed better when COVID-19 started and the major crisis hit in 2022. These findings confirm the argument posed by Kalaiganamet al., 2021 that higher the unpredictability in the market

results into the greater the benefits of agility and at the same time contribute to the theory of MA in the context of developing markets and particularly in the context of Russia.

Thus we can formulate a proposition, that adaptation capabilities and experience in flexibility, iterations and change provide competitive advantage to firms that poses these unique abilities before companies with more static approaches to marketing during times of sudden market changes and tough economic conditions.

New insights gathered during the analysis are consolidated in the table 26.

Table 26 Summary of key results of qualitative research

Research questions posed during the interview analysis	Gathered insights from the interviews
What is the altitude to the agile approach in general in Russian companies we interviewed?	Overall, all the respondents confirmed that they believe this approach to be very effective and essential in modern state of economy, especially for mitigating the effects of economic crisis and show better performance.
Are companies that we interviewed aware of MA concept?	<p>In general most of the companies were at least partly aware of the concept.</p> <p>The key associations were:</p> <ul style="list-style-type: none"> • advertising activity of the firm • blue ocean strategy • constant project teamwork • project management using experimentation, iterations and adaptation • emphasized the importance of customer relationship and fulfilling customer needs first and raising the level of customer loyalty • flexibility and adaptation to the external conditions • quick adaptation
What was the motivation for using or not using MA approach?	<p>For MA:</p> <ul style="list-style-type: none"> • Risk aversion (better ability to mitigate risks) • External economic factors • Constant and very rapid change in consumer behavior • Business specificity (for businesses operating in a very rapidly changing market like the travelling industry and advertising flexibility and agile principles become essential) • Size of the company (the smaller the company the more flexible it can be and should be) <p>For not using MA:</p> <ul style="list-style-type: none"> ✓ Lack of personnel to implement agile project work ✓ Lack of knowledge of the meter

<p>To what extent, if to any the companies use agile marketing and does the statement fit the reality?</p>	<p>According to the results of the thematic analysis, clear understanding of the concept of agile marketing, including appropriate instruments and practices, is linked to successful implementation in companies.</p> <p>The degree of understanding is positively correlated with implementation success of MA elements. Conversely, absence of certain elements of the concept in perception and associations provided by the respondent is positively correlated with lower results in the survey given to interviewees.</p> <p>Most lagging capabilities identified were:</p> <ul style="list-style-type: none"> ✓ Implementation of cross-functional teamwork ✓ Autonomy of teams and workers in general ✓ Speed of altering marketing decisions ✓ Ability to use experimentation in product development process
<p>What are the key challenges outlined by the companies in relation to implementing MA?</p>	<ul style="list-style-type: none"> • Shortage of human resources • Bureaucratic processes that hinder flexibility and speed of decision making • Existence of unnecessary formalities as contract tenders • Belittling the importance and value of marketing in the companies and interference into decision making • Poorly developed corporate culture, lack of corporate learning and lack of culture of experimentation • Lack of knowledge and expertise in some essential areas (especially in regions other than Saint Petersburg and Moscow)

<p>What successful practices did companies use under economic crisis conditions?</p>	<ul style="list-style-type: none"> • Contingency planning • Adoption of foreign experience and practices on the market • Focus on consumer needs and wishes, as well as market orientation and thorough ongoing consumer research • Outsourcing some of the marketing tasks to a variety of contractors to achieve speed of change, higher creativity
<p>What common traits were identified between the interviewees?</p>	<p>Huge lack of human resources in the marketing departments, including qualified staff with deep expertise in modern technologies and advanced market research</p>

From the qualitative part of the research we have gathered the following insights:

- Autonomy of decision making contributed to high speed of change and enhancing the success of new practices implementation
- There is a lack of learning culture component in all the companies interviewed. Firstly due to lack of human resources, unwillingness of employees to take responsibility and to take on additional duties.
- Team work was not implemented, as it was “not common” in the organization, however the necessity of its implementation was understood by the head of the department. Some practices were not being implemented because people are afraid to make mistakes, thus are afraid to take responsibilities.
- Some practices are not common and people are afraid to disrupt the current state of affairs and introduce new practices as they might not be supported by the higher governance. This leads us to the conclusion, that organizational culture of punishments, authoritarian structures and old paradigms of doing business, hinder companies abilities to become agile.
- The absence of knowledge sharing, team work, collaboration and cooperation leads to the lack of purpose which in turn leads to high staff turnover, that overall hinders the results that could have been achieved in terms of company performance.
- Limited financial resources allocated to marketing and unwillingness to pay good salaries to attract and retain good specialists result into lack of human resources which in turn impedes the ability of companies to react fast to changes, as there are not enough people to dive deep into projects, iterate test and quickly implement new changes.
- Companies that lacked the adaptation capabilities were in tougher situation during major market changes, and those who have already been more flexible before were able to adopt to market conditions faster and with less losses and turning the situation to the

company's benefits. For that reason, those companies that were already using agile practices managed better when the Covid-19 started and then the major crisis came in the beginning of 2022 with implementation of numerous sanctions. Leading us to draw a conclusion that developed MA capabilities positively effect firm performance especially in rapidly changing economic conditions.

To generalize our findings and provide quantitative evidence of positive relationship between firm's MA capabilities and firm performance we continue to discuss the results we gathered by statistical analysis of another sample consisting of 218 Russian companies.

4.2. Quantitative research results discussion

Overall, we see that our results support the findings that agile practices enhance companies' operational and financial performance and contribute to enhancement of customer satisfaction (Aghina et al. 2020).

As we have confirmed during our analysis, these theory also applies to agile practices in marketing activities (including promotional activities, product creation and modification, pricing and budgeting, packaging, etc.) (Kotler et al. 2021). Meaning that agile practices in marketing domain also enhance company's performance.

These agile characteristics include making sense of the market changes, changes in customer behavior, speed of reaction to these changes, speed of changing company's activities and making important marketing decisions, ability to be flexible and use experimentation. Furthermore, we looked particularly at separate performance indicators both financial and non-financial to provide more thorough insights about the influence of MA capabilities on performance outcomes (Kaplan et al. 2001). The results are summarized in table 28. However, our analysis did not fully confirm the factor structures that were constructed based on the characteristics of agile marketing elements defined in previous research (Kalaiganam et al. 2020) and adopted from the survey conducted by the GSOM center for strategic marketing and innovation. During our research we identified a bit different factor structure that the one suggested by the authors of the questionnaire biased on MA research by (Kalaiganam et al. 2020). According to the factor structure results summarized in the table 27, we can assume that in Russian companies flexibility is commonly tied with speed factor of altering marketing decisions.

Table 27 Factor structure summarized

	Ability to quickly recognize changes on the market
--	----------------------------------------------------

Making sense of the market	Ability to accurately predict of trends and events on the market before they become completely obvious.
Speed and flexibility of marketing decision making	Ability to quickly change the range of our products
	Ability to quickly change activities that do not lead to the desired effect
	Ability to be flexible due to the wide variety of products in our assortment
Iteration (experimentation)	Ability to approach marketing activities as cycles of experimentation and learning
	Ability to test a lot of different ideas before finding the right one
	Ability to use trial and error to find the right marketing solution
Flexibility of marketing decisions	Ability to adjust the marketing strategy when needed (e.g. without waiting for the end of the year)
	Ability to transfer marketing budgets to the most relevant areas without waiting for the end of the budget period

Table 28 Factors contribution to the performance outcomes

	Experimentation:	Speed and flexibility of marketing decision making:	Sense making:	Flexibility:
Market share growth	✓	✓	✓	!!
Growth of relative market share compared to competitors	✓	✓	!!	

Sales growth	✓	!!		✓
Increased sales to current customers				!!
Number (share) of successful new products				!!
The success of bringing new products or services to market	✓	!!	✓	
Time required to bring new products to market	✓	!!	✓	
Business profitability			!!	
Return on investment (ROI)	!!			
Return on sales		✓	!!	
Customer satisfaction				!!
Creating value for consumers	!!	✓		✓
Formation of customer loyalty	✓		!!	

During the research the following most important factors for firms' performance indicators were identified:

Experimentation capability was identified as the most important for increasing market share growth of the company, returns on investment (ROI), and creating value for consumers. Speed & flexibility of marketing decision making contributed mostly to sales growth, the success of companies to bringing new products or services to market and improve time required to bring new products to market.

Developed sense making capability of the market situation contributed most to the growth of relative market share compared to competitors, business profitability and returns of sales as well as contributed to formation of customer loyalty.

And the ability to be flexible mostly effected the operational performance outcome in particular the amount of sales to current customers, to the amount of successful new products or services launched. However, it also contributes to increasing customer loyalty.

Our cluster analysis and mean comparison results were almost always consistent with the previous findings (gathered in western context) that there is a positive effect of agile marketing application in firms activities on their financial performance Khan (2020).

According to the results that we received from clustering the data and then testing the performance indicators of the two groups: companies with better developed MA capabilities and with more traditional marketing approach, we draw a conclusion that the theory developed by foreign research in western countries that companies that implement agile methods of work perform better is true for the Russian context and native firms.

we can say that mean revenues for the companies that were more marketing agile (ranked themselves higher at the 4 agility characteristics) had higher mean revenue value during all the years studied in this research (from 2014 to 2021). This is a good indicator, which confirms our assumption that MA contributes to the superior financial performance (Aghina et al. 2020) including the years of economic turbulence.

Earnings before interest and tax were also higher for a more agile group of companies during all the years except 2020 where this indicator was slightly lower. This decline in earnings before interest and taxes (EBIT) in 2020 can be explained by the effects that Covid-19 pandemic had on the economy and native business, which led to significant disruptions in the domestic economy as well as the global supply chains. The pandemic resulted in decreased demand for goods and services, which affected the operating revenue of many companies. Moreover, during Covid-19 the government imposed restrictions on travel and large gatherings, which also impacted industries like tourism, hospitality, and entertainment, resulting in lower EBIT (Reuters). Additionally due to imposed restrictions and changes in consumer behavior many companies had to modify their operations, which led to increased costs associated with implementing safety measures, remote working, and compliance with new regulations. The foreign rate risks also increased due to the uncertainty, which further added costs for companies with foreign operations.

Same pattern can be seen in the profits of companies under analysis. Profits represent the financial benefit that represents the difference between revenues expenses, costs and taxes. Lower profits for a group of companies using more agile approach to marketing may mean that companies incurred higher costs and expenses for altering operations and investing more money into changing their business. However, in general decreased profits in 2020 can be explained by economic

recession caused by Covid-19 crisis (Blake P., et al 2020). This economic downturn resulted in lower demand for goods and services, leading to lower profits.

Reduced consumer spending could also had an impact of firms' profitability. Many consumers faced financial hardship in 2020 due to job losses, reduced income, and other economic impacts of the pandemic. This could led to lower consumer spending, which would have reduced profits for many companies. In Russia the final consumption expenditure of households fell by 102.6 thousand U.S. dollars (which is around 5 %) in 2020 in comparison to the previous year. In total, the household final consumption expenditure declined to 2 million U.S. dollars in 2020 (Statista).

Net Profit margin ratio was higher for a more agile group of companies throughout all the years under examination. However net profit margin was negative for both of the groups in 2014. Net profit margin represents the percentage of revenue received from sales after coverage of all the costs, interests and taxes. Thus, negative figures could have been caused by various factors such as economic sanctions imposed on Russia following the annexation of Crimea, a decline in oil prices, a devaluation of the Russian ruble, and instability in the geopolitical climate (Mau V. et al 2015). These factors could have contributed to decreased demand for Russian goods and services, leading to lower profits for businesses operating in Russia.

However, even with all the negative factors pertaining to negative results in receiving profits, companies that were already more agile had less negative profit margins than those with more traditional approach.

Return on asset (ROA) ratio indicator was higher for all time periods examined (from 2014 to 2021). From this statistic we can suppose that companies that are more agile in their marketing activities use their assets more efficiently to generate profit. This also holds for the most economically difficult years characterized by implementation of sanctions (2014) and a major epidemiological crisis (2020).

Return on investment (ROE) ratio was also higher for a more marketing agile group mostly during all the years under examination, however in 2016 and 2017 the mean indicator was slightly lower. This may be explained by companies recovering after economic crisis in Russia in 2014, first sanction packages and new economic reality with export and import restrictions and a more heavy investment into business operation during these or previous years that had not yet yielded expected returns.

Thus, we can conclude that generally firms that were more flexible and implemented MA principles into their work performed better financially, even in times of crisis. During our analysis we looked at firm's performance in 2014 which was characterized by the implementation of severe economic sanctions that were aimed at weakening Russian economic

base, depriving the country of critical technologies and closing some of the trade routes (European council 2014) and also examined firm's performance in 2020 during the Covid-19 epidemiological crisis. Companies that were more agile in marketing practices generally showed better results and/or recovered faster from crisis effects. Therefore, we can formulate a theory that MA helps to mitigate negative effects of crisis on firm's economic and operational performance in the Russian context. This assumption than can further be tested in future research in more detail focusing primarily on how MA in general and each of the four MA elements contribute to performance under severe economic crisis conditions in Russia.

4.3 Conclusions and limitations

Results of the quantitative analysis are consistent with the literature and the insights gathered from the interviews that implementation of MA enhances firm performance especially during economic instability (Kalaignaman et al. 2021). Quantitative data provides generalization on a larger sample, that elements of MA have a positive influence on firm performance and also provided us with deeper insights about the effect of each of the MA capability on firm operational and financial performance, customer satisfaction and customer loyalty.

4.3.1 Limitations

The main limitations of the research pertain to the composition of our data samples for both of the research methods and the timeline that the research covers.

Our qualitative analysis using in-depth interviews focused on firms from various industries, and was for that reason broad to some extent and did not go very deep into each industry's specifics. Thus, future research may focus on one or couple of specific industries in more detail to learn about MA implementation and its effectiveness in each industry separately. Moreover, at the time of data gathering some effects of SMO's consequences on firms operations might not have been seen yet, thus future research is needed to further asses firms under current crisis conditions.

The main limitations of the quantitative part of the research can be ascribed to two main issues. First of all, the survey was conducted in the beginning of 2022 thus only considering the effect of Covid-19 pandemic as external factor affecting firm performance and not considering recent events connected to special military operation (SMO) and its implications on business operations. In this survey the effects of the crisis that started in the end of march of 2022 was not taken into account.

Furthermore, the sample represents primarily micro organizations, thus some results may be biased, concerning primarily this group of companies.

Thus, there exist a number of limitations towards the results of this research and its research abilities. These limitations can be overcome in future studies.

4.3.2 Theoretical contribution

1. There is a limited number of studies that research marketing agility (see Khan 2020, Kalaignaman et al. 2021) and one of the main aims of this research was to contribute to the literature on Marketing agility. Scholars have stressed the need to test the influence of the main elements of MA on a firm's performance in volatile markets (Cerit, M. M. et al. 2021). In this research we particularly looked at each of the four main arguments of MA defined by (Kalaignaman et al. 2021) and examined how they contribute to firm performance measures (both operational and financial performance) as well confirmed positive effects of MA implementation on customer satisfaction and customer loyalty (suggested in Aghina et al. 2020 and Kalaignaman et al. 2021).

2. We believe that our research makes important contributions to the literature of agile transformation of business processes and effectiveness of agile practices on firm performance (Aghina et al. 2020). The results yielded in this research indicate that not only complete agile transformation leads to enhanced firm performance, but that transforming separate functions of the firm, in particular marketing function results in the enhanced firm financial and operational performance in comparison to firms with more traditional approaches to marketing function. This research shows concrete links of agile marketing elements implementation to enhancement of firms' operational and financial performance.

3. Moreover there has been a lack of literature on the topic of implementation of MA in emerging markets, especially in the Russian context under turbulent economic conditions. Khan, H. (2020) displays in his research of emerging market firms operating in developed economy markets the positive effect of agile marketing utilization on financial and market performance of the firms from emerging markets. Our research contributes to the theory of firm effectiveness and agile market practices implementation in the context of the Russian market. It elaborates further on the implementation of agile principles by the emerging market firms in particular Russian firms that operate on local markets which can be characterized as highly turbulent and complex. Both qualitative and quantitative research contribute to better understanding of MA implementation benefits for local firms as well as country specific peculiarities and challenges are identified for implementing MA.

4. Furthermore, Kalaignaman et al. 2021 raises the need of adopting an effective tool for measurement of companies' marketing agility and degree (success) of its implementation for firms undergoing or planning to undergo the transition (Kalaignaman et al. 2021). Hoogveld and Koster (2016) propose to use the "Objectives-Principles-Strategies framework" defined by

Soundararajan, S. (2013). In this paper we adopt the framework and suggest to complement the framework with concrete capabilities related to marketing agility, firm's constructs necessary for effective implementation of agility (Kalaigaman et al. 2021), and to take into account industry and country specific limitations identified in this research.

In fact, in the conditions of rapidly developing Internet technologies, opportunities for small and medium-sized businesses have expanded, because it is possible to conduct experiments, scale ideas, prove efficiency to its consumers (Agile for business). Agile marketing has now become a key tool for surviving and prospering in an ever-changing market. The principles of this type of marketing allow the company to get the greatest return. Only with flexible planning and strategy execution it is possible to respond to current fast changing trends in time.

4.3.3 Prospects for further research

During our in-depth interviews we tried to investigate companies from different industries and of different size. Thus, it can be said that this research covered multiple industries, however, a more detailed dive might be necessary to get more industry specific details. Therefore, it can be useful to research the implementation of MA in different industries in detail, from industry to industry and compare what difficulties and limitations appear in each particular business sphere for successfully implementing MA.

As the quantitative part of the researched only covered data up to 2021 and discussed effects of MA on performance during crisis in 2014 caused by the precedent of introduction of severe economic sanctions against Russian economy and the effects of Covid-19 crisis, it can be interesting to examine the performance of the same firms in 2022, 2023 and maybe even further on to track how implementation of marketing agility principle effected performance during a new wave of more severe sanction packages imposed and quantify the effects of MA on performance and adaptation to changes market conditions during this and future periods.

Another opportunity for further research is to investigate further the effects of separate elements of MA on firm's performance and adaptation capabilities. As in this paper we looked at each of the factors separately, further studies can examine how the combination of elements impact the performance metrics tested.

4.3.4 Practical recommendations

As our analysis focused more on small and medium size business enterprises we see it most fit to focus our recommendations mostly on these type of companies However, the research

also has identified difficulties that aroused in large corporations that should also be addressed for further agile implementation in the future.

Thus by consolidating results received from the two research approaches used in this paper we devised a list of practical recommendations that can be used by companies to guide a more smooth transition toward agile marketing, to evaluate their organizational fit for implementation of this approach and evaluate current state of marketing activities.

1. Suggestion of a practical instrument for measuring the degree of marketing agility of the Russian firms

We propose for companies to assess their speed, flexibility, market sensing and experimentation capabilities to evaluate to what extent the company is implementing agile principles into its marketing activities. Moreover, we suggest to also evaluate key organizational elements that need to be developed to support innovation, experimentation and flexibility.

It is important to assess:

Table 29 Evaluation template

Speed	<ul style="list-style-type: none"> ✓ Speed of decision making ✓ Speed to market ✓ Marketing planning horizon ✓ Speed of altering media planning activities ✓ Speed of altering promotional activities: Creativity during advertising campaigns (slogans, visualization, scenario); changes of the start date of advertising campaigns (deadlines); change of media platforms (change in the % ratio of carriers) during the advertising campaign; reallocation of advertisement budgets (over time; between carriers) ✓ Speed of reorienting and changing/modifying products
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Market sense making	<ul style="list-style-type: none"> ✓ Frequency of market and consumer research ✓ Depth of market research ✓ Research objectives
Flexibility	<ul style="list-style-type: none"> ✓ Ability to quickly change promotional activities ✓ Ability to quickly change media-mix ✓ Ability to change and redistribute marketing budget ✓ Ability to change product assortment ✓ Ability to quickly alter practices that do not yield desired results
Organizational elements	<ul style="list-style-type: none"> ✓ Readiness to implement teams-work and provide autonomy and responsibility to teams ✓ Is organizational culture ready for innovation and experimentation ✓ Is there knowledge sharing practice among departments and subsidiaries ✓ Do bureaucratic procedures hinder speed and flexibility of decision making ✓ Is there enough staff members in marketing department to operate effectively ✓ What is the planning horizon for marketing activity

2. If we consider Agile marketing for the development of small and medium-sized businesses in detail, then a number of practices can be recommended:

1) Continuous in-depth market research is essential

Thorough ongoing research of the market and consumers is necessary to increase timely responsiveness to market and enhance flexibility capabilities of the firm. An important point here is to receive feedback from the audience so that it is possible to quickly respond to the wishes of

customers. When new promotion tools appear in the framework of Agile marketing, firms should pay attention to them, study their principles.

2) Outsourcing work to contractors may have benefits for the business

Sometimes it is safer, more cost-effective to work with add agencies. Moreover, this approach may provide additional creativity, fresh view, increased speed of change (for instance of add materials and add campaigns) if several contractors are used for separate tasks. However, even though working with contractors can provide certain benefits, however, the quality and competences of agencies need to be assessed and kept in mind and work should be closely monitored.

3) Implementation of team work provides benefits for productivity and enhancing corporate culture

Cross functional teams should be implemented for reaching autonomy and speed of decision making as well as enhancing the quality of work accomplished, and boosting collaboration amongst employees that can boost productivity. Regular meeting should also be implemented to enhance progress control and encourage knowledge sharing.

4) It is necessary to cultivate autonomy and responsibility

Focus should be put on cultivating an entrepreneurial spirit inside employees for better creativity, flexibility, autonomy of decision making and generating great new ideas

5) Market planning horizon has to become shorter and more flexible

Marketing planning practices have to be overviewed and adjusted to current market conditions, thus implementing a more short-termed marketing plan and less fixated budgets may be beneficial to enhance flexibility, speed of reaction to changes and can enhance experimentation ability to further enhance firm's performance

6) Companies should cultivate MA capabilities to enhance firm performance

More detailed action plan that can be implemented by firms and predicted enhanced outcomes are present in table 31.

Table 31 Practical recommendations

MA capability	Detailed actions	Performance outcomes enhanced
Speed and flexibility of decision making	In particular businesses should consider developing a wide variety of products in the assortment to become more flexible and adaptable; to be able to quickly change the range of current products and rapidly alter	<ul style="list-style-type: none"> ✓ Spur sales growth ✓ Enhance the chance to successfully introduce new products or services to market

	activities that do not lead to the desired effect	<ul style="list-style-type: none"> ✓ Improve time required to bring new products to market
Experimentation and iterations of marketing activities	Companies should consider developing the ability to approach marketing activities as cycles of experimentation and learning; their ability to test a lot of different ideas before finding the right one and the ability to use trial and error to find the right marketing solution	<ul style="list-style-type: none"> ✓ Increase market share growth of the company ✓ Improve return on investment (ROI) ✓ Create more value for consumers
Making sense of the market	Companies should conduct ongoing market and consumer research to develop the ability to quickly recognize changes on the market and the ability to accurately predict of trends and events on the market before they become completely obvious.	<ul style="list-style-type: none"> ✓ Increase the growth of relative market share compared to competitors, ✓ Improve business profitability ✓ Spur returns on sales ✓ Contribute to formation of customer loyalty
Ability to be flexible	Companies should consider developing or enhancing their ability to adapt the marketing strategy when needed without waiting for the end of the planed period and the ability to redistribute marketing budgets to the most relevant areas without waiting for the end of the budgeting period	<ul style="list-style-type: none"> ✓ improve operational performance, ✓ Increase the amount of sales to current customers, ✓ Increase the amount of successful new products or services launched ✓ Increasing customer loyalty

Conclusion

Business today operates under extremely difficult conditions. This research is an attempt to discover how organizational capabilities, in particular agile marketing principles adoption can enhance firm's performance under difficult economic and political conditions and extremely

rapid market dynamics on the sample of the companies operating on the Russian market. This paper fills in the research gap concerning the implementation, perception and awareness in general of agile marketing practices in Russian firms in the Russian context.

In order to achieve the goal of the study, a number of objectives were outlined and successfully met after the theoretical analysis of existing literature and empirical analysis which consisted of a combination of qualitative and quantitative methods of research

The qualitative research of Russian firm's perception and implementation of MA, as well as the quantitative research of a larger sample has capitalized on the assumptions proposed by the research conducted previously. The aim of the principle method of the research – qualitative analysis using in-depth interviews was to understand the Russian firms awareness of the concept, their attitude towards using agile marketing elements in crisis conditions, get a deeper understanding of firm's motivation for MA implementation in Russia and to identify key difficulties companies see for implementing MA approach and to learn successful agile (flexible) practices already tried by companies, if any. The complimentary method of the research – a statistical analysis of secondary data was aimed at giving the generalization on the bigger sample of the findings received during qualitative research, provide statistical proof of the relationship of MA elements and firm performance and to further investigate how each of the key elements of MA identified in previous research (Kalaigaman et al. 2021). The main assumptions of the research were formulated and questions were posed after a thorough analysis of existing literature.

Qualitative research supported the assumption that firms already resort to some practices typical for marketing agility and supported previous findings about the relationship between MA implementation and firm performance. All of the companies interviewed consider implementation of MA essential and necessary for firm survival and success especially in the market characterized by high economic uncertainty.

The qualitative research was based on assumed elements of MA defined by previous research and to quantify and assess the degree of implementation the questionnaire was adopted constituting 5 factors of MA.

Amongst the main difficulties that companies face identified were the lack of human resources in marketing, belittling of marketing function in the firm, unwillingness of employees to take responsibility and initiative which hinders project work implementation and hierarchical structures with high bureaucracy typical for larger or/and state owned companies that hinders flexibility and speed of marketing decision making. Amongst others challenges we discovered the lack of financial resources allocated to marketing that caused principal challenges.

The successful practices discovered after analysis were consistent with the ones described in the foreign literature and by previous western research. However, one practice was highlighted as positive in our research contrary to the other research concerning the implementation of MA (Kalaigaman et al. 2021) which is work with advertising agencies. This research discovered that for companies it can be a useful tool to enhance speed, flexibility and creativity of marketing practices in Russian reality where there is a lack of human resources, lack of marketing budgets and a deficit of highly qualified specialists.

The quantitative research aimed to test the factor structure adopted earlier in qualitative part of the research. However, exploratory and confirmatory factor analysis yielded some controversial results, consequently, the structure of factors has been changed. The new factor structure suggested that speed and flexibility was tightly related resulting in following four factors used in further analysis were: (1) Making sense of the market, (2) Speed and flexibility of marketing decision making; (3) Iteration (experimentation); (4) Flexibility of marketing decisions. The hypotheses formulated in the statistical analysis tested the relationship of the main elements of MA and firm's operational and financial performance as well as customer satisfaction and customer loyalty creation. Therefore hypothesis formulated during statistical data analysis tested the associated with the 4 factors (identified during factor analysis) and performance indicators including among others market share growth, growth of relative market share compared to competitors, sales growth, increased sales to current customers, number (share) of successful new products, success of bringing new products or services to market, time required to bring new products to market, business profitability, return on investment (ROI), return on sales, customer satisfaction, creating value for consumers and formation of customer loyalty. It was found that generally all of the four MA principles had positive effect on performance measures. It has been found that (1) Speed and flexibility capability of the firm has a largest of other factors positive impact on sales growth; success of introduction of new products or services to market; time required to bring them to market; (2) Experimentation capability has a largest positive impact on market share growth of the company; return on investment (ROI); consumer value creation; (3) sense making capability and growth on the relative market share compared to competitors; business profitability; returns on sales; formation of customer loyalty; (4) flexibility on the amount of sales to current customers, amount of successful new products or services launched and customer loyalty. The research also found through cluster analysis and comparing means analysis the positive correlation of better MA implementation on firm's financial performance (the data on financial performance for taken from SPARK database).

Overall, the two research methods yielded desired results. We have identified that agile approach to marketing is considered by Russian firms interviewed to be essential for implementation for further market adaptation, productivity and survival. And indeed, our statistical analysis has proven the positive relationship between overall agile marketing adoption with financial performance of the Russian firms under analysis, and has shown that each of the elements of MA identified previously has positive effect on firm's operational and financial performance as well as contributes to enhancing customer satisfaction and customer loyalty (different elements significantly influenced distinct performance measures). However, our analysis also showed, that even though considered important and needed for implementation companies face a number of challenges for implementing this approach.

In conclusion, this research may be considered as a starting point of research of MA implementation in Russian companies and it will hopefully motivate research community for further more in-depth industry specific research conducted on the topic of marketing agility in the Russian context. It can also be considered as a continuation of the study of the proposed concept of key marketing agile methods described in previous research on the topic of Marketing Agility.

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APPENDICES

Appendix 1 Interview questionnaire and interview transcripts

1.1 Interview questionnaire (main questions presented)

Personal information:

1. Please specify your full name and the name of the company you represent

Part 1: Company experience

1. What is the segment you are working in?
2. What is your position and how many years have you been with the company?
3. To what extent do you influence the marketing strategy of the company?
4. How many years have you worked in marketing? (Assuming you have worked in this area)
5. Tell us how fast the market in which you work is changing? Are the barriers to entry high or low? What kind of changes / in what areas?
6. What are the negative external factors that have affected your company (sanctions, pandemic, swap, special operation)?
7. What changes have you implemented in your marketing activities in the last 3 years?
8. Have there been any positive or negative changes in the company in the last few years?
9. Do you attribute these (positive or negative) results to changes in the company's marketing activities?
10. What strengths and weaknesses do you see in your marketing strategy in the current economic environment?

Part 2: Flexibility in your approach to marketing

11. Are you familiar with the concept of agility in general?
12. What do you associate the concept of agile with? What is the first thing that comes to your mind when you think of the agile approach in business?
13. What does agility mean to you in your approach to marketing? What practices would you categorize as agile marketing?
16. In your opinion, do you take an agile approach to marketing?

We want to give a definition of agile or agile marketing that we are basing this paper on: marketing agility is how quickly a business moves from understanding the market and changes in it to making and executing marketing decisions to adapt to the market. (Kalaigianam et al. 2020).

We define the 4 components of an agile marketing approach : situational awareness, speed, variability, and marketing decision making.

Now we would like to ask a couple of questions about each of these 4 components of an agile marketing approach.

Part 3: Questions to ask to determine the extent to which a company actually uses an agile approach to marketing on the 4 components of agile

Sense making

1. What are the most important indicators for you in market research? (changing preferences/competitors' offerings/increasing or decreasing demand)
2. What changes in consumer behavior have you noticed and how do you react to them?
3. What criteria (factors) are fundamental for you to plan an advertising campaign and maximize effectiveness?
4. What factors are most important to you when introducing a new product to the market?

Speed

1. How fast can you get a new product to the consumer?

2. Has the time-to-market for the new product changed from the previous period or from competitors in the last 3 years?
3. What advertising planning horizon do you use?
4. How quickly can you change your approach to media planning?
5. How quickly can you change your advertising campaign idea if necessary?
6. In what time frame can you refocus to reflect changes in the marketplace and or change the consumer offering?

Iteration and marketing decisions:

1. What length of advertising campaign do you usually use? (week/month...)
2. If there are significant changes in external market conditions, can you change the following elements of your advertising campaign and how quickly can you do so? :
 - Creativity during advertising campaigns (slogans, visuals, script)
 - Shift in the start date of the advertising campaigns (deadlines)
 - Change of platforms (change of % of media ratio) during the advertising campaign
 - Redistribution of budgets (in time; between media)
3. - What factors can affect changes in planned advertising campaigns/product launches?

Examples:

- Changes in consumer preferences
 - Changes in market conditions
 - Action of competitors
 - Changes in advertising objectives (region; target audience)
 - Change of target values (KPIs)
4. - 4. Which channels do you use to promote your products/services (provide more specifics if possible)?
 - TV
 - Radio
 - Outdoor advertising
 - Contextual advertisement
 - Internet video advertising
 - Social networks
 - BTL advertising
 5. - Do you work with advertising agencies? If yes, what criteria do you base your choice of partner on, and what marketing solutions do you trust them to implement?

Difficulties and limitations:

1. What difficulties do you see in your company and its operations for a flexible approach to marketing?
2. Do you think it is necessary to implement an agile approach to marketing in your (operations) industry in order to maximize performance (results)?

While marketing agility is a multidimensional concept, it also affects some aspects of the organization without which the successful implementation of an agile approach would not be as effective or even possible.

Questions concerning these aspects of the firm:

What digital technologies are used by the firm in relation to marketing agility?

1. What tools do you use for market research? (competitors/consumer needs/demand)
2. How often does market research occur (is data collected and analyzed continuously or at scheduled times)?
3. Is data collection and research done in-house or are these functions outsourced?
4. What tools do you use to analyze the information collected?

Organizational structure:

1. What kind of organizational structure does your organization use?

2. Which departments work on the product/packaging/advertising campaign (inhouse or outsourced)?
3. Do you use teamwork principles in the operation of the entire company?
4. What methods of control do you use in teamwork and project work? How do you supervise the work of your teams?

Organizational culture:

1. How would you describe the organizational culture in your company at this time?
2. What changes in organizational culture are needed in your company to implement a more flexible approach to marketing?

Budgeting:

1. How does your company create marketing budgets? % of gross revenue % of profit

Eg:

- based on past years (historical)
- similar to competitors
- money is allocated within the current month under the task
- no marketing budget

2. To what goals is the allocation of financial resources usually tied?

Conclusion

Our interview has come to an end. Is there anything else I didn't ask for that you'd like to share? Thank you for your time, if interested, after all the interviews are processed, I'm ready to share the results with you.

*The Russian version of the questionnaire was used during the interview process and can be found in the online depository via the link :

https://drive.google.com/drive/folders/1odJZ5N77h_Me2HpwKmuZcU-TAweCiq43?usp=share_link

1.2 All the interview transcripts can be found in the online storage space by the link:

https://drive.google.com/drive/folders/1ugAI5BZQkg8DJkje4I5hyHeV-0xEUmkb?usp=share_link

1.3 The form filled-in by the companies interviewed to determine the level of agility. Firms were asked to rank this or that a ability from 1 to 5, 1 - being completely disagree, 5 – completely agree:

Based on the following statements, evaluate the approach to marketing that your company uses
Sence making capability
We constantly monitor and sense trends in our marketplace
We quickly recognize changes in our marketplace

We accurately forecast trends and developments in our market before they become fully apparent
Speed of reaction
We can meet changing customer needs faster than our competitors
We shorten the time from product concept to market to respond quickly to changes in customer needs
We can change our product assortment quickly
We quickly change activities that are not having the desired effect
Experimentation capability
We approach marketing activities as cycles of experimentation and learning
We test many different ideas before we find the right one
We use trial and error to find the right marketing solution
Ability to be flexibility
We are flexible due to the wide variety of products in our range
We can create new products by making minor modifications to existing products
We can adapt our products and services to meet market needs
We can adjust our marketing strategy when needed (for example without waiting until the end of the year)
We can reallocate marketing budgets to the most relevant areas without waiting until the end of the budget period

Appendix 2: Additional tables for quantitative analysis

Full list of statistical tables can be found in appendix 2

1. Reliability statistics

Market Sensing

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.720	.713	3

Item Statistics

	Mean	Std. Deviation	N
ms1	3.18	.786	218
ms2	3.48	.956	218
ms3	3.33	.952	218

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ms1	6.82	3.008	.389	.226	.790
ms2	6.51	1.882	.720	.528	.381
ms3	6.66	2.234	.543	.431	.629

Speed

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.615	.623	4

Item Statistics

	Mean	Std. Deviation	N
sp1	3.09	.642	218
sp2	2.99	1.071	218
sp3	3.32	.968	218
sp4	3.15	.968	218

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
sp1	9.45	4.949	.353	.167	.585
sp2	9.55	3.779	.347	.172	.593
sp3	9.22	3.490	.537	.344	.427
sp4	9.39	3.953	.384	.277	.553

Experimentation

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.835	.834	3

Item Statistics

	Mean	Std. Deviation	N
exp1	3.00	.903	218
exp2	3.09	1.124	218
exp_3	3.18	1.121	218

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
--	-------------------------------	--------------------------------------	----------------------------------------	------------------------------------	----------------------------------------

exp1	6.28	4.440	.595	.355	.865
exp2	6.19	3.176	.769	.615	.695
exp_3	6.10	3.240	.750	.599	.716

Flexibility

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.739	.743	5

Item Statistics

	Mean	Std. Deviation	N
flex1	2.94	.748	218
flex2	2.97	1.140	218
flex3	3.50	.980	218
flex4	3.19	1.056	218
flex5	3.19	.974	218

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
flex1	12.86	9.394	.433	.196	.720
flex2	12.83	7.837	.439	.330	.724
flex3	12.30	7.797	.581	.375	.663
flex4	12.61	7.806	.511	.442	.690
flex5	12.61	7.861	.573	.425	.666

2 Exploratory factor analysis (EFA)

2.1 Initial factor model

Communalities

	Initial	Extraction
ms2	1.000	.847
ms3	1.000	.757
sp1	1.000	.499
sp2	1.000	.375
sp3	1.000	.684
sp4	1.000	.665
exp1	1.000	.622
exp2	1.000	.817
exp_3	1.000	.821
flex1	1.000	.517
flex2	1.000	.364
flex3	1.000	.525
flex4	1.000	.592
flex5	1.000	.587

Extraction Method: Principal Component Analysis.

2.2 Second factor model

Communalities

	Initial	Extraction
ms2	1.000	.859
ms3	1.000	.766
sp1	1.000	.471
sp3	1.000	.720
sp4	1.000	.670
exp1	1.000	.622
exp2	1.000	.825
exp_3	1.000	.818
flex1	1.000	.512
flex3	1.000	.464
flex4	1.000	.730
flex5	1.000	.657

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component			
	1	2	3	4
exp_3	.887			
exp2	.879			
exp1	.734			
flex4		.845		
flex5		.748		
flex3		.593		
sp1		.562		
sp3			.807	
sp4			.780	
flex1			.582	
ms2				.916
ms3				.853

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

1.2.3 Final factor model

Communalities

	Initial	Extraction
ms2	1.000	.816
ms3	1.000	.828
sp3	1.000	.765
sp4	1.000	.634
exp1	1.000	.623
exp2	1.000	.824
exp_3	1.000	.817
flex1	1.000	.549
flex4	1.000	.830
flex5	1.000	.769

Extraction Method: Principal

Component Analysis.

Total Variance Explained

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumulati ve %	Total	% of Variance	Cumulati ve %
1	3.484	34.839	34.839	3.484	34.839	34.839	2.306	23.065	23.065
2	1.582	15.822	50.661	1.582	15.822	50.661	1.799	17.991	41.055
3	1.294	12.944	63.605	1.294	12.944	63.605	1.677	16.774	57.830
4	1.094	10.942	74.547	1.094	10.942	74.547	1.672	16.718	74.547
5	.714	7.142	81.689						
6	.526	5.263	86.953						
7	.431	4.311	91.264						
8	.352	3.522	94.786						
9	.312	3.119	97.905						
10	.209	2.095	100.000						

Extraction Method: Principal Component Analysis.

3. Confirmatory factor analysis

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	26	58,042	29	0,001	2,001
Saturated model	55	0	0		
Independence model	10	767,397	45	0	17,053

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	0,044	0,95	0,906	0,501
Saturated model	0	1		
Independence model	0,281	0,533	0,43	0,436

Baseline Comparisons

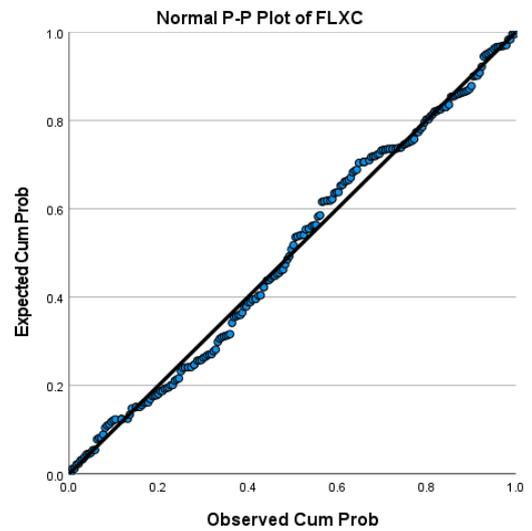
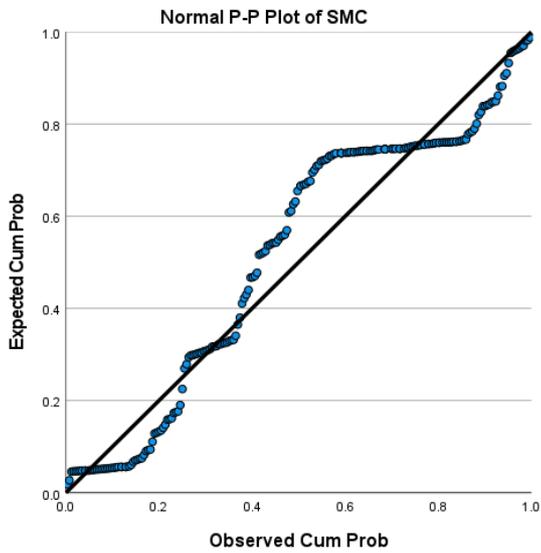
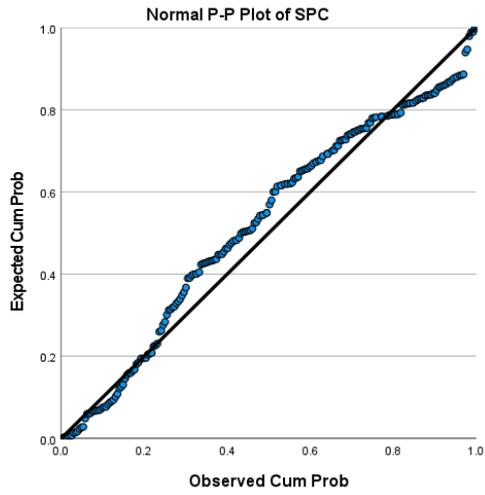
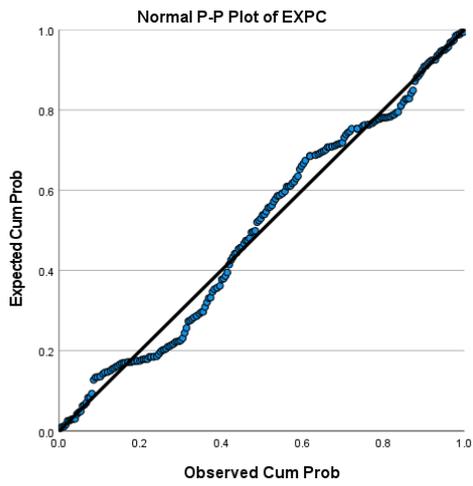
Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0,924	0,883	0,961	0,938	0,96
Saturated model	1		1		1
Independence model	0	0	0	0	0

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0,068	0,042	0,093	0,118
Independence model	0,272	0,255	0,289	0

4. Regression analysis

Test for normality:



3.1 H1:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.403 ^a	.162	.147	.559	2.145

a. Predictors: (Constant), FLXC, SMC, SPC, EXPC

b. Dependent Variable: performance_1

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.889	4	3.222	10.328	<.001 ^b
	Residual	66.455	213	.312		
	Total	79.344	217			

a. Dependent Variable: performance_1

b. Predictors: (Constant), FLXC, SMC, SPC, EXPC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.087	.038		81.604	<.001		
	EXPC	.174	.038	.288	4.587	<.001	1.000	1.000
	SPC	.102	.038	.169	2.691	.008	1.000	1.000
	SMC	.106	.038	.175	2.795	.006	1.000	1.000
	FLXC	.087	.038	.143	2.285	.023	1.000	1.000

a. Dependent Variable: performance_1

3.2 H2

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.318 ^a	.101	.088	.904	1.912

a. Predictors: (Constant), SMC, SPC, EXPC

b. Dependent Variable: performance_2

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.659	3	6.553	8.015	<.001 ^b

Residual	174.969	214	.818		
Total	194.628	217			

a. Dependent Variable: performance_2

b. Predictors: (Constant), SMC, SPC, EXPC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.959	.061		48.312	<.001		
	EXPC	.183	.061	.193	2.980	.003	1.000	1.000
	SPC	.132	.061	.139	2.150	.033	1.000	1.000
	SMC	.199	.061	.210	3.246	.001	1.000	1.000

a. Dependent Variable: performance_2

3.3 H3

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.290 ^a	.084	.071	.917	2.035

a. Predictors: (Constant), FLXC, SPC, EXPC

b. Dependent Variable: performance_3

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.470	3	5.490	6.530	<.001 ^b

Residual	179.902	214	.841		
Total	196.372	217			

a. Dependent Variable: performance_3

b. Predictors: (Constant), FLXC, SPC, EXPC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.362	.062		54.146	<.001		
	EXPC	.150	.062	.158	2.415	.017	1.000	1.000
	SPC	.192	.062	.201	3.079	.002	1.000	1.000
	FLXC	.129	.062	.135	2.069	.040	1.000	1.000

a. Dependent Variable: performance_3

3.4 H4

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.174 ^a	.030	.026	.873	2.086

a. Predictors: (Constant), FLXC

b. Dependent Variable: performance_4

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.137	1	5.137	6.732	.010 ^b
	Residual	164.808	216	.763		
	Total	169.945	217			

a. Dependent Variable: performance_4

b. Predictors: (Constant), FLXC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.450	.059		58.308	<.001		
	FLXC	.154	.059	.174	2.595	.010	1.000	1.000

a. Dependent Variable: performance_4

3.5 H5

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.175 ^a	.031	.026	.857	2.007

a. Predictors: (Constant), FLXC

b. Dependent Variable: performance_5

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.019	1	5.019	6.828	.010 ^b
	Residual	158.784	216	.735		
	Total	163.803	217			

a. Dependent Variable: performance_5

b. Predictors: (Constant), FLXC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.353	.058		57.745	<.001		
	FLXC	.152	.058	.175	2.613	.010	1.000	1.000

a. Dependent Variable: performance_5

H6:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.404 ^a	.163	.151	.941	1.920

a. Predictors: (Constant), SMC, SPC, EXPC

b. Dependent Variable: performance_12

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.959	3	12.320	13.904	<.001 ^b
	Residual	189.610	214	.886		
	Total	226.569	217			

a. Dependent Variable: performance_12

b. Predictors: (Constant), SMC, SPC, EXPC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.266	.064		51.230	<.001		
	EXPC	.248	.064	.243	3.878	<.001	1.000	1.000
	SPC	.271	.064	.265	4.245	<.001	1.000	1.000
	SMC	.188	.064	.184	2.942	.004	1.000	1.000

a. Dependent Variable: performance_12

H7:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.378 ^a	.143	.131	.976	1.731

a. Predictors: (Constant), SMC, SPC, EXPC

b. Dependent Variable: performance_13

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.003	3	11.334	11.887	<.001 ^b
	Residual	204.052	214	.954		
	Total	238.055	217			

a. Dependent Variable: performance_13

b. Predictors: (Constant), SMC, SPC, EXPC

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.165	.066		47.858	<.001		
	EXPC	.197	.066	.188	2.969	.003	1.000	1.000
	SPC	.286	.066	.273	4.314	<.001	1.000	1.000
	SMC	.190	.066	.182	2.870	.005	1.000	1.000

a. Dependent Variable: performance_13

H8:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.457 ^a	.208	.197	.872	1.871

- a. Predictors: (Constant), SMC, SPC, EXPC
 b. Dependent Variable: performance_14

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.831	3	14.277	18.790	<.001 ^b
	Residual	162.600	214	.760		
	Total	205.431	217			

- a. Dependent Variable: performance_14
 b. Predictors: (Constant), SMC, SPC, EXPC

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	3.220	.059		54.545	<.001		
	EXPC	.238	.059	.244	4.017	<.001	1.000	1.000
	SPC	.317	.059	.326	5.360	<.001	1.000	1.000
	SMC	.201	.059	.206	3.392	<.001	1.000	1.000

- a. Dependent Variable: performance_14

H9:

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.184 ^a	.034	.030	.881	1.898

- a. Predictors: (Constant), SMC
 b. Dependent Variable: performance_6

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.903	1	5.903	7.611	.006 ^b
	Residual	167.528	216	.776		
	Total	173.431	217			

- a. Dependent Variable: performance_6

b. Predictors: (Constant), SMC

		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients			Tolerance	VIF
Model		B	Std. Error	Beta	t	Sig.		
1	(Constant)	2.780	.060		46.604	<.001		
	SMC	.165	.060	.184	2.759	.006	1.000	1.000

a. Dependent Variable: performance_6

H10:

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.144 ^a	.021	.016	.929	1.853

a. Predictors: (Constant), EXPC

b. Dependent Variable: performance_7

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.941	1	3.941	4.563	.034 ^b
	Residual	186.555	216	.864		
	Total	190.495	217			

a. Dependent Variable: performance_7

b. Predictors: (Constant), EXPC

		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients			Tolerance	VIF
Model		B	Std. Error	Beta	t	Sig.		
1	(Constant)	2.495	.063		39.646	<.001		
	EXPC	.135	.063	.144	2.136	.034	1.000	1.000

a. Dependent Variable: performance_7

H11:

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.347	2	5.673	6.223	.002 ^b
	Residual	195.993	215	.912		
	Total	207.339	217			

a. Dependent Variable: performance_8

b. Predictors: (Constant), SMC, SPC

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.945	.065		45.541	<.001		
	SPC	.137	.065	.140	2.108	.036	1.000	1.000
	SMC	.183	.065	.188	2.829	.005	1.000	1.000

a. Dependent Variable: performance_8

H12:

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.229 ^a	.052	.048	.835	2.074

a. Predictors: (Constant), FLXC

b. Dependent Variable: performance_9

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.296	1	8.296	11.900	<.001 ^b
	Residual	150.585	216	.697		
	Total	158.881	217			

a. Dependent Variable: performance_9

b. Predictors: (Constant), FLXC

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	3.661	.057		64.731	<.001		
	FLXC	.196	.057	.229	3.450	<.001	1.000	1.000

a. Dependent Variable: performance_9

H13:

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.342 ^a	.117	.105	.851	2.196

a. Predictors: (Constant), FLXC, SPC, EXPC

b. Dependent Variable: performance_10

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.569	3	6.856	9.462	<.001 ^b
	Residual	155.064	214	.725		
	Total	175.633	217			

a. Dependent Variable: performance_10

b. Predictors: (Constant), FLXC, SPC, EXPC

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	3.615	.058		62.697	<.001		
	EXPC	.172	.058	.191	2.976	.003	1.000	1.000
	SPC	.145	.058	.161	2.513	.013	1.000	1.000

FLXC	.210	.058	.233	3.635	<.001	1.000	1.000
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a. Dependent Variable: performance_10

H14:

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.211 ^a	.044	.035	.959	2.143

a. Predictors: (Constant), SMC, EXPC

b. Dependent Variable: performance_11

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.181	2	4.591	4.993	.008 ^b
	Residual	197.663	215	.919		
	Total	206.844	217			

a. Dependent Variable: performance_11

b. Predictors: (Constant), SMC, EXPC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.587	.065		55.238	<.001		
	EXPC	.138	.065	.141	2.118	.035	1.000	1.000
	SMC	.153	.065	.156	2.346	.020	1.000	1.000

a. Dependent Variable: performance_11

Moderators creation

Communalities

	Initial	Extraction
pandemic_effect_1	1.000	.675
pandemic_effect_2	1.000	.596
pandemic_effect_3	1.000	.698
pandemic_effect_4	1.000	.632
pandemic_effect_5	1.000	.751
pandemic_response_1	1.000	.577
pandemic_response_2	1.000	.777
pandemic_response_3	1.000	.632

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% of Variance	Cumulative %	Loadings			Loadings		
				Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.369	42.110	42.110	3.369	42.110	42.110	3.369	42.109	42.109
2	1.969	24.616	66.726	1.969	24.616	66.726	1.969	24.617	66.726
3	.793	9.918	76.644						
4	.573	7.164	83.808						
5	.443	5.540	89.348						
6	.390	4.879	94.227						
7	.282	3.523	97.750						
8	.180	2.250	100.000						

Extraction Method: Principal Component Analysis.

Appendix 3. Cluster analysis

Comparing mean values

EBIT

Descriptive Statistics

Cluster_Kmean	N	Minimum	Maximum	Mean	Std. Deviation
1					
EBIT_2014	63	-24286000	263512000	9191650.79	37971550.505
EBIT_2015	89	-29984000	604406000	18607887.64	82291719.433
EBIT_2016	98	-352992000	131993000	4559938.78	43827452.678
EBIT_2017	108	-466944000.00	595829000.00	8315897.6689	76767201.23262
EBIT_2018	118	-12701000	271995000	7958883.05	29993152.282
EBIT_2019	73	-80802000	212951000	5839589.04	30058352.281
EBIT_2020	72	-236448000	315195000	6962736.11	60664776.891

	EBIT_2021	73	-8637000.00	639368000.00	23794930.7792	94235378.77604
	Valid N (listwise)	34				
2	EBIT_2014	34	-56549000	70440000	1538147.06	16181058.268
	EBIT_2015	46	-25767000	139868000	4544804.35	21575806.582
	EBIT_2016	52	-7230000	57047000	2730403.85	8771402.189
	EBIT_2017	53	-5193000.00	70138000.00	3780584.9057	10654287.19674
	EBIT_2018	55	-6516000	39948000	4239581.82	9737318.470
	EBIT_2019	42	-127637000	67587000	-2442928.57	29246356.612
	EBIT_2020	40	-8119000	94589000	11039425.00	22370502.035
	EBIT_2021	42	-25434000.00	185153000.00	11060666.6667	34837795.31659
	Valid N (listwise)	20				

PROFIT

Descriptive Statistics

Cluster	Kmean	N	Minimum	Maximum	Mean	Std. Deviation
1	Profit_2014	65	-25907000	211440000	8428184.62	31002872.609
	Profit_2015	90	-29041000	474540000	12245611.11	61976178.438
	Profit_2016	92	-237581000	42391000	836589.13	26783641.564
	Profit_2017	110	-299218000	391017000	5218627.27	49655311.838
	Profit_2018	132	-62333000	238269000	4628037.88	24214476.851
	Profit_2019	147	-176840000	291598000	2520659.86	29378168.985
	Profit_2020	147	-243022000	357515000	3703170.07	42864171.031
	Profit_2021	143	-14351000	592415000	11555020.98	62966558.265
	Valid N (listwise)	54				
2	Profit_2014	34	-56552000	55956000	883058.82	14366978.896
	Profit_2015	46	-26074000	111192000	2794317.39	17374641.594
	Profit_2016	51	-30183000	44976000	930754.90	7933345.443
	Profit_2017	55	-35960000	55429000	1785781.82	10414838.166
	Profit_2018	60	-29255000	38331000	2406700.00	8660831.313
	Profit_2019	70	-142861000	52841000	-1363314.29	21906551.364
	Profit_2020	70	-15898000	73208000	6359714.29	14918079.329
	Profit_2021	69	-41859000	146550000	7781594.20	23342188.986
	Valid N (listwise)	32				

REVENUE

Descriptive Statistics						
Cluster	Kmean	N	Minimum	Maximum	Mean	Std, Deviation
1	Net profit margin 2014	65	-762,41	91,15	-9,63	106,62
	Net profit margin 2015	95	-393,21	100,00	4,95	54,65
	Net profit margin 2016	105	-307,93	72,64	6,54	35,88
	Net profit margin 2017	110	-369,30	92,39	5,43	44,97

	Net profit margin 2018	118	-130,23	100,00	9,78	22,82
	Net profit margin 2019	143	-72,90	100,00	8,00	24,90
	Net profit margin 2020	145	-392,62	100,00	7,29	41,32
	Net profit margin 2021	138	-284,80	456,00	12,75	49,04
	Valid N (listwise)	56				
2	Net profit margin 2014	29	-2490,00	65,51	-80,88	463,68
	Net profit margin 2015	39	-15,33	61,41	10,01	18,19
	Net profit margin 2016	42	-98,92	71,43	01,02,7700	21,84
	Net profit margin 2017	42	-40,68	51,25	01,03,9148	14,55
	Net profit margin 2018	55	-108,98	70,33	01,02,7398	20,76
	Net profit margin 2019	66	-436,35	63,76	-2,18	57,14
	Net profit margin 2020	66	-96,73	78,20	1,78	28,14
	Net profit margin 2021	65	-66,98	73,58	6,19	17,19
	Valid N (listwise)	22				

Descriptive Statistics						
	Cluster Kmean	N	Minimum	Maximum	Mean	Std, Deviation
1	ROA 2014	63,000	-81,030	197,630	18,283	45,564
	ROA 2015	92,000	-189,120	177,460	19,515	50,834
	ROA 2016	101,000	-103,860	228,640	16,046	46,018
	ROA 2017	113,000	-239,110	187,180	14,841	52,791
	ROA 2018	117,000	-349,300	174,830	21,669	56,772
	ROA 2019	145,000	-355,170	237,740	13,712	52,195
	ROA 2020	145,000	-82,280	247,070	19,241	43,870
	ROA 2021	140,000	-148,800	245,120	16,005	41,658
		Valid N (listwise)	52,000			
2	ROA 2014	32,000	-565,330	140,050	-8,203	114,263
	ROA 2015	40,000	-400,000	187,440	8,398	82,912
	ROA 2016	43,000	-112,240	132,200	2,406	36,791
	ROA 2017	44,000	-730,610	169,410	-2,923	119,017
	ROA 2018	55,000	-140,560	91,440	1,960	36,607
	ROA 2019	67,000	-343,200	352,580	12,378	83,747
	ROA 2020	67,000	-255,430	403,910	10,008	75,120
	ROA 2021	66,000	-136,850	234,990	19,241	47,253
		Valid N (listwise)	25,000			

ROE

Descriptive Statistics						
	Cluster Kmean	N	Minimum	Maximum	Mean	Std, Deviation
1	ROE 2014	61,000	-609,300	5010,000	174,278	757,66105
	ROE 2015	90,000	-527,650	411,010	64,595	133,624
	ROE 2016	94,000	-749,150	402,400	45,009	138,479
	ROE 2017	106,000	-3520,000	1121,440	38,419	380,094
	ROE 2018	114,000	-207,110	397,780	50,796	87,936
	ROE 2019	136,000	-2000,000	5020,000	64,190	475,936
	ROE 2020	135,000	-277,300	7500,000	110,311	654,764
	ROE 2021	129,000	-298,350	662,810	49,787	116,775

	Valid N (listwise)	44,000				
2	ROE_2014	33,000	-506,670	3190,000	141,521	562,85201
	ROE_2015	40,000	-666,670	452,270	51,954	153,161
	ROE_2016	42,000	-69,230	661,920	54,638	114,002
	ROE_2017	43,000	-36,320	331,030	56,386	81,077
	ROE_2018	54,000	-122,400	201,140	33,289	71,383
	ROE_2019	65,000	-854,540	644,440	44,754	166,251
	ROE_2020	63,000	-933,530	835,290	44,043	207,229
	ROE_2021	65,000	-462,190	645,920	20,455	138,792
	Valid N (listwise)	21,000				