Introduction. In this article the authors discuss approaches to the formulation of the term “financial bubble” in the economy, types and essence of financial bubbles. Examples of financial bubbles in global experience are analyzed.

Main part. Economic has a phenomenon when an intrinsic value of any asset is totally different from its market value. The demand and the price are getting higher. So, the trade of such assets in big amount act like overpriced. It is a financial bubble.

Each bubble is different, but still all of them have the same part. For example, there is an increase of price of goods and securities. While the prices are getting higher people feel euphoria and think that their financial situation is strengthening. But the prices are getting reduce after the peak of growth. It causes an excitement among the people and often it is ending by bankruptcy, decrease in solvency of people and companies or financial crisis at different scales.

It can be explained like this: in the situation of projected price increase the investors are moresure in the market and they plan to get a high profit in long-term. The lenders agree to take more risks.

According to H. Minsky there are 5 stages of the formation of financial bubble:

1) A changing: prerequisites for increase of price, growth of investor’s interests to market, rise of possibility of taking a credit because of low percentage of risk;

2) A boom: available loans stimulate the activity of people, tariffs for the assets and possibility of taking a quick profit rise and accordingly the volume of sales increase too;

3) An euphoria: a big amount of traders is continues to grow, they want to get an enormous profit because of rise of prices;

4) Receiving a profit: the members of excitement who have appreciated the market situation start to withdraw funds and this step is a beginning of the end for the other traders;

5) A panic: the reason of explosion of bubble, in result the costs of assets fall rapidly.

The most famous example of the financial bubble is the case with tulips in 1637.

For prevention of financial bubbles people should know how the bubbles are originating in economics. The mechanism of occurrence is given here:

1) The Center banks take a part of responsibility because easily accessible and widespread loans contribute to the emergence of financial bubbles.

2) Innovations on the market and new possibilities in economics often give a rise to financial bubbles. Investors have overestimated expectations of future profit and that cause the increase of the price of asset. The possibility of quick earnings and the availability of readily available funds for investment attracts many new participants. The number of traders is growing. There is an optimism and euphoria in the market.

Step by step the most rational participants aware of overpricing of the asset. Those people start to sell their assets. That is a turning point of existence of bubble. The sale of goods or securities becomes massive, the prices reduce, a panic starts in the market. The financial bubble is exploding.

The main conditions of occurrence of a financial bubble are invest investment nature and long life of the revalued asset because it is hard to find out the real price of asset because of absence or lack of information.

The majority of financial bubbles appear at the time of good situation in the market, when the government supports investors, there is no sufficient regulation of economic entities.

Conclusion. So, in conclusion we can say that financial bubbles are an objective phenomenon, since most people tend to think over-optimistic. It follows that the prevention of financial bubbles is practically not possible.

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УДК 65.011.12

FEATURES OF STRATEGIC MANAGEMENT IN ORGANIZATION OF SMALL BUSINESS

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Summary - In modern conditions, any business, including small ones, is faced with constantly changing environmental conditions and changes in the internal environment. Only the correct setting of goals and objectives, an objective assessment of the external and internal environment are able to provide increased efficiency in the functioning of a small organization in market conditions. This necessitates the development of a specific management strategy and the implementation of effective strategic management in a small enterprise, the features of which are considered in the article.

Резюме - В современных условиях любой бизнес, в том числе и малый, сталкивается с постоянно изменяющимися условиями внешней среды и изменениями во внутренней среде. Только правильная расстановка целей и задач, объективная оценка внешнего и внутреннего окружения способны обеспечить повышение эффективно-

сти функционирования малой организации в рыночных условиях. Это обуславливает необходимость выработки определенной стратегии менеджмента и реализации эффективного стратегического менеджмента на малом предприятии, особенности которого рассмотрены в представленной статье.

Introduction. Small business in the modern economic environment is one of the sectors of entrepreneurship, the enterprises of which are characterized by the ability to flexibly adapt to changes in the market and to quickly respond to changes in market conditions. It is objectively proved that small businesses contribute to the development of scientific and technological progress, create new jobs, types of products and services, thereby filling economic niches that are often not economically viable and interesting for large organizations and corporations. At the same time, small enterprises operate in a common market and competitive environment, which entails the need for rational and effective strategic management of them.

The main part. Improving the effectiveness of the functioning of a small organization in market conditions is facilitated by the correct setting of goals and objectives, as well as the objectivity of analyzing the external and internal environment of the organization. O.V. Astafyeva notes that the key objectives of strategic management in small business are the goals associated with: ensuring the survival and prosperity of the organization based on profit; meeting the needs and suggestions of consumers in the market for manufactured products; increasing the competitiveness of manufactured products, works and services; accelerating the turnover of funds and resources; steady profit growth with the condition of minimizing commercial risks; ensuring the competitiveness of the organization in a specific market segment; increasing the level of capitalization of the organization’s business; increasing the investment attractiveness of the organization; the development of new markets, products and technologies [1].

The study of modern approaches and the specifics of strategic management in the small business allows us to form the main goal of organizing effective strategic management of the small business, the content of which is reduced to the formation of a stable competitive position in the local market, which would make it possible to maximize profits, as well as to create innovations for possible subsequent cooperation with large business structures [2].

It is also necessary to note that by implementing the strategic management mechanism in the competition with large enterprises and in the regional and local markets, small organizations can effectively use their key advantages, which include territorial maneuverability, production and technological mobility, and flexibility.

We can distinguish the following key strategies that are most characteristic of small businesses and give small organizations the opportunity to apply their basic advantages.

1. The optimal size strategy is to develop specialized, small-scale markets, namely those areas of activity where fairly large production is ineffective, and small production is the best option (for example, enterprises that focus on meeting highly specialized demand: individual orders, elite products, production of small-scale or any non-standard products).

2. Copying strategy - within the framework of this strategy, a small business either produces goods under license and under the brand name of another large company, or masters and produces copies, the prototype of which is the original product of another company.

3. Contracting strategy is the construction of economic relations between small business and its partners on the basis of a business contract. Within the boundaries of a large production process, when the largest costs are for small-scale and low-tech production sites, it becomes very profitable for a large company to abandon these types of work, but by purchasing individual components and parts from small enterprises.

4. Franchising strategy - using a system of mutually beneficial partnerships between large and small enterprises, small companies acquire the opportunity to take advantage of a large enterprise. Franchising is a system of contractual relations, on the basis of which a large organization is obliged to provide a small enterprise with its own goods, proven manufacturing process technologies, trademarks, and advertising services for a specific fee.

5. The strategy of strengthening horizontal interactions of small businesses implies microeconomic interaction of small businesses as horizontal links (interaction of economic agents with the same type of production). At the same time, the alliance of a group of small companies that have identical production is much easier to organize. This type of alliance is based on the similarity of the economic interests of small businesses, the desire to reduce transaction costs, to carry out any complex, capital-intensive projects that are not feasible for each of them individually.

6. Blue Ocean Strategy aims at the active growth and high profitability of companies that can generate effective business ideas, thereby creating previously unmet demand in a new market (the “blue ocean”), where there is no competitive environment, instead of engaging the struggle with many competitive companies in marginal markets (the "red ocean"). The main provisions of this strategy are avoiding competition, the company searching for its niche at the junction of spheres and focusing on some specific, which is put in the center and to which the maximum efforts of the company are applied, which already lead all other components.

Conclusion. Small business is one of the key sectors of the modern economy that ensures its progressive functioning, and, yielding in many respects to large companies, at the same time has a number of unique advantages, the implementation of which can ensure the effective development of a small organization. Given these advantages, small organizations are able to fully realize their strategic potential, the development of which is possible taking into account an objective assessment of the external and internal environment and taking into account the specifics of the model of strategic interests of a small organization.

The strategies considered take into account the characteristics of the business that are characteristic of small businesses, they are directly aimed at the development of the organization, taking into account the advantages it has and the characteristics of the specific market environment in which the organization operates. The choice of a particular strategy for a small organization is the definition of the general direction for achieving development goals, focused on improving indicators, taking into account the considered model of strategic interests of a small organization.

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УДК 339

EFFECTIVE MARKETING TECHNIQUES

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Summary - Most people do not follow their own logic when making a purchase, but give in to emotional outbursts caused by their expectations. And at large this buying behavior is determined by skillful, but invisible to the buyer actions of sellers, stores and suppliers of goods.

Резюме - Большинство людей при совершении покупки следуют не своей логике, а поддаются эмоциональным всплескам, вызванным их ожиданиями. И немалая доля в таком поведении покупателей определяется умелыми, но незаметными для покупателя действиями продавцов, магазинов и поставщиков товаров.

Introduction. In order not to be deceived and not to fall victim to the provocation of sellers in everyday life, you need to know what they use techniques and strategies for large sales and attracting customers.

Main part. The impact on the customer begins from the moment they enter the store. This is facilitated by correctly selected store interiors, music, lighting, and sometimes aromatic accompaniment pouring on the customer. However, such methods are more suitable for large retail chains or supermarkets, since in the self-service system, a person in most cases makes a decision without consultant participation.

In stores with consultants, customers and visitors are affected in a different way. Even before starting a dialogue with the customer, sellers are well aware of how to behave with customers. What, when, and how to offer, say, and show to customers and ordinary visitors in order to get them interested them. Modern marketing operates according to strict rules and laws. Therefore, nothing should be surprising.

Let's look at some marketing techniques, such as:

- Price contrast. In order to make the customer want to buy a specific item, the sale of which is the most important for the store at the moment, several other items similar to the product that interested the customer are placed near it in the sales area. But at the same time significantly (several times) different in price, both up and down. Too low a price often makes the buyer consider such a product to be of poor quality, and too high – does not give him the opportunity to purchase the product. And the buyer has to buy exactly the product that the store is actively promoting, creating the illusion of a high profit from the purchase. By the way, prices for products that accompany the right choice can often be completely far-fetched and unfounded.
- Music background. Noticed that in the halls of large retail chains, supermarkets and nice shops necessarily the music. And most often not obtrusive, wordless and in a certain musical rhythm. The absence of words in the music design of stores is important in order not to distract customer attention. Besides popular songs should be in a foreign language, so that the buyer is not distracted by their content.In stores, correctly selected, slow music melodies can increase the number of sales by a third – up to 38%. Slow music sets the buyer up for a calm, measured and deliberate choice of purchases. Fast music tracks, on the contrary, often cause customers to leave the store after a cursory evaluation of products. And often the user does not buy anything.
- Smells in stores. Perhaps someone has heard about intentionally sprayed flavors in certain departments of grocery stores and other retailers. For example, the smell of fresh coffee, bread or chocolate increases the number of sales by 14-16%. And specially sprayed flavors in grocery stores (flavors of fresh bread and pastries, fresh fruit) significantly stimulate the appetite of customers, forcing them to buy additional products and dishes that they did not initially plan to purchase. In addition to the influence of smells, there is an emphasis on strengthening the emotional perception of the buyer, which provokes him to make more purchases.