MARKETING PRECEPTS FOR THE TIME OF CRISIS

Joanna Hernik

Introduction

Marketing can be discussed in terms of micro and macro aspects. From macroeconomic point of view, marketing can be described as a way of thinking and business activity, which puts a client and market in a centre (Sztucki, 1994, s. 43). In this article, the author takes micro point of view which assumes that marketing (micro-marketing) means activity focused on set goals achieved by envisaging and exploring consumers’ expectations (Romanowska, 2004, s. 287). To be effective and successful, firms should remember about verified rules, even though in case of marketing there is no agreement which rules fall into this category. Therefore the aim of this article is to refresh basic marketing precepts and to consider their essence in the aspect of economic crisis.

Marketing precepts - Literary overview

Marketing precepts are discussed from the beginning, which could point to their importance (Saddik, 1968, s. 273-286), but – on the other hand – one can observe a lack of common attitude to the problem, which should be placed in the canon and probably for this reason there are no wider works discussing this issue. In place of these publications tailoring marketing rules to particular situations appears (Scott, 2007, s. 8; Gardner, 2009).

One should mention that in basic publications on management the term marketing rules is not used, moreover – there is no broader discussion in most of marketing publications (even Ph. Kotler does not mention the precepts in his well known book Marketing management. Analysis, planning, implementation and control,…, though he discuses it in interviews, for example: G. Kiszlk, the interview with Ph. Kotler in „Brief” 8, 2009, s. 33). It results from a fact that marketing precepts contain whole marketing knowledge in a nutshell, so when a person discusses for example a new product management or a necessity of market research (themes discussed in whole chapters), then marketing rules are discussed in substance.

So, the rules have grown to big theories and almost nobody remembers that they were formulated, although one can indicate some publications discussing them. T. Sztucki writes about precepts and says that in every market activity the most important are: knowledge about market, directing goods to proper market segments, focusing on purchasers’ needs and awareness that market verifies accuracy of taken decisions and success depends on competent and effective use of marketing-mix tools (Sztucki, 1994, s. 45). It seems that M. Zajączkowski has given the fullest list of marketing precepts (Zajączkowski, 2004, s. 21-26), and his conception is shown in figure 1.
Figure 1 - Marketing precepts


There is no possibility to present the aforementioned rules fully but in short it can be said that the first rule (a *key role of client*) reflects the core of marketing. It means that when a firm creates ads about an offer, or is present at fairs, it does not mean marketing attitude to business. It is proven by a fact that a firm has taken purchasers’ angle into consideration and everything that happens is connected with clients’ demands. The *rule win-win* refers to this matter, which requires to shape exchange processes in such a way that satisfies both sides; from business perspective it means to gain proper profits, for the client— it means getting certain (equivalent to costs) benefits. Today this rule concerns not only commercial sphere, but non-profit as well (Burnett, 2007, s. 14-16; Marques, 2008, s. 5-8).

The essence of efficient marketing is market research, so the next precept says that in business activity good education, experience or intuition are not enough to obtain success; one has to ask clients systematically what they expect, observe their behavior, remember that their needs are changing…. and try to use gathered information to revamp firm’s activity. It seems that it is really important in time of crisis, when clients become more frugal and may focus on quite different values than before. The newest research by Millward Brown SMG/KRC shows that an average citizen of Europe plans to lower his expenses by 31% because of problems on labor market (Millward Brown SMG/KRC, 2009). Hence marketing research not only gives useful information but also allows envisaging such categories as demand or changes in a scope of needs. Changes are very often a synonym for innovations and then they are understood as activities bringing something new to a firm, although innovations protagonists pay attention to its importance to production processes and new products. In spite of discussion, if innovations are to be treated narrowly (as technical modifications) or widely (any adaptations), for sure one should agree with a statement that firms have to develop, accommodate to changes in environment or even outstrip them… So the *rule of innovations* assumes a necessity of such business activities which could be named...
creative and would bring qualitatively new solutions, thanks to which a firm will be able to create new markets (Dew, Sarasvathy, Read and Wiltbank, 2008, s. 313-329).

A product that is a result of innovation should meet expectations of chosen groups of purchasers, and also it means that this group of people has been selected before, so the precept of designed market segments (segmentation) has been used. One may venture an opinion that there is a chapter discussing market segmentation in every book on marketing management, because this rule describes very important buyers hallmark: people greatly differ, they have dissimilar needs and businesspeople should first – delve into these needs, and – secondly – use the obtained knowledge to create an offer and get a competitive advantage on the market. And admittedly one can point to some products (for example unprocessed food goods) but their number lowers every year. This means that firms really consider consumers needs and try to answer expectations of chosen segment of the market (Dibb and Simkin, 1991, s. 10-13).

A firm can influence the market using different tools; an idea of 4P (product, price, place, promotion), called a classical marketing-mix dominates among them. The set of 4 elements is not programmed from the beginning to the end (Berkowitz, Kerin and Rudelius, 1989, s. 37-38), and in different situations a firm can for example add some accessories to a product, can modify its features (quality, functionality); distribution may be organized using new selling channels, new agents; promotion may be focused on mass advertising or personal selling, and finally price may be changed depending on a product life cycle. The rule of integrated influence on market underlines in turn that every tool has particular role to realize and a firm will act more effective when all of them will be used. The scope of 4P, as it was mentioned, may be flexible, but the essence should be respected (Peattie, 1997, s. 142-150).

All marketing doings should be monitored, which is an essence of the rule of control of activity efficacy. Ph. Kotler underlines that a goal of marketing departments is not only to plan but to evaluate effects as well (Kotler, 1999, s. 682-695), and not every firm remembers about it. A question of what should be monitored depends on accepted aims and undertaken means… but it’s worth considering an expression efficacy which means that one is interested in a level of goal achievement, not relation between costs and results or profits. On the other hand, businesspeople are more and more often keen on efficiency, so especially in the time of crisis they want to know where their firm earns and where loses money. Control relies on an evaluation of a process of activity organized to obtain described goals and one should add that control, next to planning, organizing and motivating, is one of a basic functions of managers, people directly taking part in realization of given task and responsible for their results (Hernik, 2008, s. 116-126). Considering that every market entity is open to its environment (interacts with different organizations) it is worth adding that strategic planning is perceived as a tool of prevention from crisis on a firm level (Andruszkiewicz, 2007, s. 93-95; Barton, 1994, s. 41-46).

Research conducted in British firms shows that despite of declared acceptation of marketing rules it appears that neither departments of production nor financial or staff ones understand their essence and even accept it (Thomas, 1998, s. 22-23). So it is awkward to expect that firms will adhere to marketing precepts while they perceive it as contrary to their interests. Maybe it should be assumed that marketing precepts are a kind of an idea, guideline, toward which a firm ought to strive but an achievement is a question of the future. A basis of every market activity is its economization or – in other words – economic responsibility, which is understood as concern about quality of the firm activity, which involves stakeholders as well as employed workers. Relying upon economics means then taking care of good business performances, which allows to endure and thereby to give satisfaction to owners and workers, and – what is also absolutely essential – to clients. From marketing point of view it should be added that firms ought to act with a profit in mind but not only for profit, and
marketing rule of 3e precepts flows from this assumption, and postulates that a firm have to act in accordance with economics, ecology and ethics.

Marketing is very often blamed for ecological problems showed up together with mass production and redundant consumption. Taking into consideration ecology means lowering negative results of economic activity of people and thanks to this natural environment has a chance to survive in its original shape and be a kind of heritage for future generations. Thus, 3e precept orders to remember about sustainable development and to limit unneeded consumption thanks to aware, conscious marketing (Fray, 2007, s. 76-88). In connection with this idea, a conception of socially responsible business has been created (CSR), which emphasizes the need of voluntary respect of social and ecological aspects in business.

Mostly, ethics is described as a set of rules saying what is good or bad in certain situation, according to a given group of people, at a given time. J. Hołówka writes, that human life is built from five ethical spheres: individual ethics, sexual ethics, voluntary commitments, social ethics and political ethics. Norms connected with human economic activity are included in voluntary commitments chapter and are described as business ethics (Hołówka, 2002, s. 11-12). Admittedly, one may find an opinion that business activity should be connected with free will, but on the other hand a kind of increase of social expectations as ethical deeds is observed, therefore managers in firms create different kinds of “ethical codes” to confirm their approach to up-to-date market problems. Ethical behavior of a businessperson joins activity with respect to natural resources as well as to other people (Brzustewicz, 2008, s. 11).

**Marketing precepts for crisis – let’s focus on…..**

At difficult times people change their hitherto behavior and start to think what is really valuable, what possesses real worth. Therefore firms should analyze marketing precepts and plan in a way that will allow keeping their core and to modify them to the time of crisis. Because the current crisis is described as global crisis of trust (Garski, 2009, s. 62-64), a special attention should be paid to activities which build this trust. Soundness of this approach has been confirmed by survey carried out by Euro RSCG Sensors, which informs that for example 86% of Americans, 77% of Poles and 89% of French expects that businesspeople at difficult time will not be focused on profits only (http://blog.sensors.pl/category/csr), and will remember about values important to society. So, behaviors in accordance with ethics and ecology seem to be more and more important.

Control of marketing efficacy at time of slump focuses very often on relation between costs and profits while it is worth reminding that deep marketing costs cut is the worst thing a firm may undertake (Szymańska, 2009, s. 38-39). Instead, one ought to plan marketing activity in a way which confirms standing of a firm and as an alternative of lowering costs, should find new ways of reaching consumers (to sell on credit with tardy terms or other supple ways of paying for example).

The rule of integrated influence on market must foresee lower consumers income (higher price flexibility) and expectations of real benefits (keeping a level of quality and an offer accessibility). It is confirmed by research conducted in Czech Rep., Germany and Romania, where consumers show negative approach to the future and plan to limit their expenses (Millward Brown SMG/KRC, 2009). Maybe a level of innovation will have to be bound also because this activity generates big costs, but one should not change a strategy of market segmentation because consumers form many countries claim that they are loyal to chosen brands and will buy them even if prices rise. Surely precepts of key role of consumers and win-win should not be changed as well, since they are fundamental to marketing. Instead, it is good to be aware that an inclination for keeping a level of profit at any price leads very often
toward lower standards and in this case short-time income may cause long-term lose of confidence, as was mentioned before.

Conclusion

Marketing precepts are certain hints telling what is important in business activity. From marketing point of view, the rules of key role of clients and win-win are basic ones, because surely they are always valid, regardless of financial or organizational situation of a firm. But changing environment demands modification of some rules, or rather paying attention to some aspects. So it should be underlined that marketing rules have universal character, and are true at all times in all places, however since the crisis saving money is more reasonable than consumption, one have to gather information on what values clients share now and what expectations they show and this seems to be a challenge for businesspeople.

References

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Author/s: Joanna Hernik

Abstract: It is assumed that marketing consists of activities focused on achieving a given organization's goals by envisioning consumers needs and consequently by providing satisfying goods. In order to be effective, businesspeople should turn to proven marketing rules, although in literature there is no consensus on the scope and a character of the precepts. A goal of this paper is to remind the readers about the canon of marketing rules and discuss their perception in the time of crisis.

Key words: foundation of marketing, management, rules, slump period

Contact
dr Joanna Hernik
West Pomeranian Technological University in Szczecin
Faculty of Economics, Department of Marketing
Żołnierska 47, 71 210 Szczecin, Poland
joanna.hernik@zut.edu.pl, 0048 601 721 506