

# STRATEGIC MARKETING DEVELOPMENTS IN INFORMATIONAL SOCIETY

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**Abstract** *The market relation is structurally reshaped in the context of informational society, which causes conceptual, management and technological mutations in marketing. A new marketing paradigm is shaped which causes management transformations through the transition to strategic marketing and changes in the specific communication mechanisms of e-marketing and cyber-marketing.\**

**Key words:**

informational society, digital economy, marketing, communication and information technologies

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The maturity of market relations implies that, in modern economy, offer is a consequence of a good knowledge of demand, its aim being, obviously, that of satisfying demand, this being therefore the path that leads to the achievement of fundamental purpose of economic activity, namely making profit. In my opinion, the future development of trade relations will bring about new variations and approaches, both from a management point of view and with respect to new technologies.

One of the conditions for reshaping of the trade relation in modern economy was the establishment of marketing as a strategic function of the enterprise that needs to adjust its offer to the demand and to satisfy the needs of consumers, to fulfil the profit-making objective. It can be said that, from the first decades of the 20<sup>th</sup> century, economy entered the marketing era.<sup>1</sup>

According to P. Gregory, new developments have already appeared in the marketing era, which he divided in three stages:<sup>2</sup>

\* Customer orientation, the period in which marketing was a “means of examining consumers’ and buyers’ needs that

allows, on the one hand, to define the offer of the enterprise in terms of product, distribution and prices according to these needs, and the dissemination and appreciation of this offer by means of promotional actions, on the other hand”<sup>3</sup>. At this stage, an analytical phase of investigation of the market and consumers’ needs and an operational phase of intervention on the market via the marketing mix can be identified.

\* Orientation towards the consumer and the environment. This double trend became obvious starting from the '60s-'70s of the 20<sup>th</sup> century, when it began to increasingly raise the problem of environmental protection and sustainable development and in which the terms “societal marketing” and “situational marketing” were launched.

\* Mega-marketing calls for a wider scope on marketing, to accommodate the approach of the concept of consumer satisfaction, which is not simply a matter of profit, but also of protection of the rights and interests of consumers, as well as in terms of understanding the environment of the enterprise and from the point of view of the responsibilities that it has.

I am convinced that the trade relation will experience new developments generated by the impact of communication and information technologies of the digital era and those companies that will intuit the new and fruitful field of needs that these will generate will survive.

All companies are facing the problem of survival on the market, now and especially in the future. On a medium and long term, companies who manner in which competition will change, who envision the changes that will appear in the consumer's needs, who have the capacity to identify the opportunities that the market can offer, who know how to avoid useless risks, who create motivational mechanisms to increase the efficiency of their own staff, will be successful on the market. For all these to happen, a company must "think" and act strategically.

There are authors<sup>4</sup> who make a distinction between strategic marketing and operational marketing that make up, together with the marketing system of the enterprise, the two components that interact and converge in order to achieve the general strategy of the enterprise. According to J.J. Lambin, the aim of strategic marketing is to analyze the existing needs of the market, the product-market relation, the real and potential market segments, the competitive advantage and the economic life cycle of the product. Strategic marketing is geared towards identifying a strategy that allows the development and increase of the enterprise's profitability.

Operational marketing is geared towards actual actions aimed at achieving the turnover forecasted by the company, using the most effective means/sales instruments, simultaneously with the reduction of sale costs. Operational marketing implies the execution of a marketing plan, of budgets for the marketing actions/campaign, compatible with the mar-

keting strategy and the general strategy of the enterprise.

For other authors<sup>5</sup>, operational marketing targets marketing actions that follow production, namely the marketing plan, promotional campaigns, budgeting of actions, of marketing, of sale and post-sale force activities, distribution, execution and application of the control plan. In this context, strategic marketing precedes the creation of the product, production, the introduction, distribution and promotion of products on the market. At its turn, strategic marketing is preceded by survey marketing which draws a complex analysis of the market (the environment of the enterprise, the behavior of consumers, competition).

In the context in which shaping the activities of a company depends on the inputs received from the market, outside the market, marketing has a strategic role in the operation of the enterprise.

Nowadays, contractors are facing an extremely complex economic reality with a very accelerated dynamics, they must understand and anticipate the effects of economic and technological globalization at the level of the enterprise, react to the profound changes in the behavior of consumers generated by changes in the demographic structure (the aging of the population, the spread of celibacy and single parenthood), the fragmentation of markets, the emergence of new requirements of consumers generated by the growth of the level of information and of the level of education of the population. Furthermore, mutations appear in the distribution determined by the extension of retail networks and of the franchise system and of facilities provided by new communication and information technologies. Thus, the two forces that have a decisive impact on the evolution of markets in contemporary economy, namely globalization and new

communication and information technologies, produce new forms of interconnection and interdependencies in the business environment. In this context, businessmen have also been confronted in recent years with the rapid and global spread of the effects of the economic-financial crisis, which made Philip Kotler and J.A. Casilione<sup>6</sup> propose a new management and marketing model, starting from the idea that "turbulence and, in particular, severe turbulence with its actual consequences - chaos, risk and uncertainty - represent the current normal state of industries, markets and companies".

While most authors conclude that marketing has a strategic role in the operation of the enterprise, a few conceptual clarifications must be made, namely specifying the existing distinctions between strategy, plan and politics. For J. Lendrevie, J. Levy and D. Lindon<sup>7</sup>, strategy "is a set of means of action used together, for reaching objectives against certain adversaries (direct or indirect competitors), so that, in their opinion, it has as a defining aspect, a confrontational dimension.

Unlike strategy, a plan has an applied, operational sense, being defined as "a list of precise actions, with terms and costs, a description of the means needed, as well as appointment of responsibilities".

To conceptually distinguish other types of actions at the level of the enterprise from those falling under the notions of strategy and plan, the three authors have also defined the term politics as "a set of decisions and rules of conduct adopted beforehand, for a certain period of time, in order to reach certain general objectives".

In my view the notion of strategy, although is rooted in military thinking, can be used in the economic language, with less hostile objectives than those of defeating enemies on the market, first of all with positive aspirational purposes of conquest of

markets. The context of globalization of communication and information technologies leads to the appearance of new needs. Not only economy is transformed under the impact of new technologies, but also the person who exists in the digital universe, in a virtual reality, discovers new types of needs and generates the creation of new markets.

In the context in which significant changes in the economy reality as an effect of the implementation of new communication and information technologies engender changes of conceptual paradigm, the need to project new strategic paradigms emerges.

The challenges of contemporary economy force contractors to identify a new strategic paradigm at the level of the enterprise<sup>8</sup> that allows them to evolve in terms of the strategic challenge from the redesign of their activities, to the regeneration of strategies, from organizational transformation to the transformation of fields of activity, from competition for a part of the market to competition for a part of favorable opportunities. As regards "finding the future, the new strategic paradigm implies the transition from a learning strategy to the strategy as movement, from the strategy as positioning, to strategy as forecast, from strategic plans to strategic architecture. According to these two authors, for mobilizing for the future, to apply the new strategic paradigm, the enterprise must make a transition from strategy as adequacy to strategy as flexibility, from strategy as distribution of resources to strategy as accumulation and effective use of resources.

The most important challenge for an enterprise that adopts a new strategic paradigm emerges during the actions of "discovery of the future ahead of others"<sup>9</sup>, when they should make a transition from competition in an existing field to competition with the purpose of influencing the

analysis of future fields of activity, from the fight towards supremacy for products to the fight for supremacy in the field of essential competencies, from the increase of the share of new products that are successful to the increase of the weight of new knowledge about the market, from the reduction of the time of introduction on the market, to the reduction of the time of conquest of the global market.

The redefinition of the notion of strategy is also reflected in the promotion of new operational concepts, namely that of "strategic architecture" by which G. Hamel and C. K. Prahalad understand "a general model of structuring new functions, of acquiring existing competencies and of re-configuration of relations with clients"<sup>10</sup>.

The new challenges of the market, the re-dimensioning and restructuring of marketing strategies require the creation of an elite management body capable of assimilating a new type of knowledge of economic reality, of managing an increasingly rich informational flow, of producing and applying complex solutions for adapting the production to the new requirements of the market, depending on the mutations that occur in the consumer's behavior.

Ana Lucia Ristea and Valeriu Ioan Franc<sup>11</sup> distinguish three strategic levels:

- \* the level of corporation/enterprise;
- \* the level of a field of activity/business;
- \* the functional level.

If at a macroeconomic level, marketing does not have a lead role, at the level of the strategic business unit, marketing has a more important role, identifying the competitive advantages and coordinating the brand policy. At a functional level, the marketing strategy is related to the other functions of the enterprise and uses the marketing mix to achieve the strategic marketing objectives.

To create an efficient marketing specialist, one must also know the main stages of elaborating a marketing strategy, since a manager who does not think strategically cannot occupy a place on the market. For some authors<sup>12</sup>, the process of preparation of marketing strategies is, at the same time, interactive, creative and iterative. The process is interactive since it involves a close collaboration of the marketing specialist with those that are responsible for production, the financial, distribution and human resources department. A company's need to survive on the market makes its entire staff work as strategic team.

The preparation of the marketing strategy is a creative process because the person responsible compares it with other types of strategies and must select the most feasible variants, but also because market success depends on its capacity to identify new types of actions that motivate the buyer to purchase a product/service, to take by surprise and to be a step head of the competition. Moreover, the preparation of the marketing strategy is also an iterative process, because it can be adjusted during the process of implementation, depending on the needs that appear on the market or during the operation of the company.

I want to add another feature of this measure, seeing that the design of a marketing strategy is also an integrating process for the other department strategies of the enterprise, representing the basis of the general strategy of the company.

According to the two authors<sup>13</sup>, the main stages of preparation of the marketing strategy are:

- \* analysis – diagnosis;
- \* setting objectives;
- \* choosing the main strategic objectives;
- \* expressing and assessing the marketing mix;

- \* preparing and implementing short-term action plans.

The stage of analysis-diagnosis requires a review of the market, a competitive analysis and an internal analysis, and, by corroborating them, a diagnosis is established as a grounds for the second stage, namely the stage of determining the company's objectives. Then, we pass onto the third stage, of selecting the main strategic options that involve the establishment of the actual targets, the company's position and determining the sources of income, in order to choose the company's priorities.

In the fourth stage, the marketing mix is formulated and assessed, a process which involves the integration of product, price, distribution, communication and sale strategies. For a more in-depth description of the fourth stage, the synthetic analysis made by Ana-Lucia Ristea and Valeriu Ioan Franc<sup>14</sup> is remarkable. Each of the strategies of the marketing mix components is the synthesis of other competent strategies. Product strategies incorporate the strategies related to assortments and ranges of products, strategies that target the life cycles of products, strategies related to the creation of new products, as well as strategies related to the performance and quality of products.

Price strategies incorporate strategies of launching new products, strategies based on a cost, demand and competition analyses.

Distribution strategies incorporate basic "push"/"pull", intensity and channel structure strategies, communication strategies are achieved on the basis of advertising, human relations and sale promotion strategies, and sales strategies are created on the basis of the strategy of operation of the sale force which is in a current-potential consumer relation.

Only by means of a correct fulfilment and implementation of an effective marketing strategy can a company reduce the risk of the market. This does not mean that the adoption of any marketing strategy and of a model that materializes a strategic marketing plan, guarantees market success. "In other words, the models should not be used for the sake of using them. Each is and will remain an instrument which, combined with experience and theoretical knowledge and used at the right time, can help organizations run their businesses successfully"<sup>15</sup>.

The success of a marketing strategy depends, to a very large extent, on the manner in which it is implemented, a complex process that requires the integration of all decision and operation mechanisms within the enterprise, the management capacity of drawing up an efficient implementation plan, a practice proving that the process of implementation of a marketing strategy is longer than the process of elaboration.

Taking as source L.G. Hrebiniak<sup>16</sup>, Ana-Lucia Ristea and Valeriu Ioan Franc<sup>17</sup> identified eight areas in which it is appropriate to act to be successful in the implementation of the marketing strategy:

- \* The execution of a model that guides decisions or strategy implementation actions.
- \* Drawing a correct link between strategy and its implementation, in the sense that the strategy is the engine of implementation.
- \* The effective management of all changes, including of those from the culture of the organization.
- \* The correct approach of the notions of "power" and "influence" at the level of the organization.
- \* The creation of organizational structures that manage the data flow, the integration of the team's

actions and the clear statement of responsibilities.

- \* Creating testing, feedback and control mechanisms.
- \* Stimulating the actions that lead to the creation of a culture that supports change.
- \* Applying a management geared towards implementation and cultivating a leadership spirit.

In conclusion, we are at a time in the evolution of the trade relation in which those who want to identify buyers for products and services they provide, must master demand and demand trends, micro-economy and macro-economy, must relate strategically to the market, create integrating strategies and have the capacity to implement them. I could say that the market is launching a more complex challenge for those who know how to manage risk, that the entrepreneurial spirit will be strengthened by this stage of market maturation in order to adjust to the mutations generated by the globalization of communication and information technologies.

In the context of informational society, the implementation of information and communication technologies becomes an important condition not only for increasing business competition, but also for maintaining it on the market. Digital economy is supported by electronic businesses, and businesses have an increasing digital dimension.

At the level of the enterprise/organization, new technologies alter not only the production/services system, but also the decision-making mechanisms. Marketing experiences severe transformations in digital economy which require a serious reconceptualization. New information technologies and their globalization lead to a reshaping of business, including in the field of instruments and marketing strategies.

The acceptance of the possibility of existence of knowledge beyond human cognitive capacities<sup>18</sup>, beyond capable intelligent artefacts of valid knowledge led to a change of paradigm which broadens the horizons in understanding reality. At the same time, reality is loaded with a more substantial virtual content, the environment we live in becomes increasingly intelligent, and intelligence more artificial.

In a knowledge-based economy, the relationship between economic theory and reality becomes more complex, as the economic environment becomes more intelligent. It has become a reality that humans live in an increasing intelligent environment, but the nature of this intelligence is, to a larger extent, artificial.

The economy based on knowledge can be defined as the economy which exceeded the threshold of development beyond which knowledge is a fundamental resource.

Information technology and communication (IT&C) is an infrastructure created on the basis of scientific knowledge, which disseminates this knowledge at a global level. Therefore, knowledge becomes a fundamental resource, a means of production and a product in the new economy. At a global level economy is restructured by the appearance of new branches, the establishment of new technologies and resources and by changing the structure of the labor force. For the first time in history, the question of anticipating the directions of development of the economy by elaborating strategies arises, as well as the introduction of new interdisciplinary coordinates, of sustainable economic development that ensures the preservation of the environmental conditions and resources to the benefit of future generations.

If at a macroeconomic level, knowledge management is materialized in national and transnational development strategies,

at the level of the enterprise, the implementation of IT&C specific to the information society generates a new type of organizational management, as well as the change of traditional working relations.

The operation of a cyberspace company changes competitive climate as well as the marketing instruments and strategies radically. Cyberspace is a new territory, which can balance out companies with a flexible behavior which are, most of the times, small and medium enterprises. We are also experiencing a revolution in marketing, since the globalization of internet access allows the gradual substitution of traditional and costly marketing solutions (door-to-door trade, advertising on consecrated media channels and outdoor advertising), by digitally accessing potential consumers and publicity in the virtual space. The strong development of electronic commerce (e-commerce) is a direct consequence of the fact that human life is moving increasingly more in the virtual reality.

In the technological context of informational society, the definition that Philip Kotler gives to marketing, namely "human activity directed at satisfying needs and wants through exchange process"<sup>19</sup>, can also be read in the context of new meanings. The consumers' needs and the characteristics of the process of exchange of merchandise are going through an intense process of transformation. We need more intangible goods that belong to a virtual reality, and commercial exchange occurs increasingly more on channels that incorporate digital technology.

In the same context we can also speak of a reshaping of the components of the marketing mix and of their manner of interaction: the product incorporates more and more digital technology and can be in itself an intangible good, prices will be established on the basis of new cost structures, and payments, from instruments to

currencies, will be digital payments (it is very interesting what will happen in the near future with the bitcoin digital currency), distribution channels experience an intense restructuring determined by digital technology and, in certain cases, they can be integrated fully, allowing the instantaneous and free distribution of intangible products, and promotion instruments have an accelerated dynamics of transformation in directions generated by the use of new technologies.

Electronic business also has vulnerabilities that need to be identified and anticipated. As money and products/services move in virtual space, new crimes emerge. Cybercrime is a consecrated term in specialized literature which designates a wide range of crimes that occur in cyberspace. Theft and virus infection of all types of documents that circulate electronically, threaten the operation and security of companies and organizations. New forms of economic espionage appear, as well as new types of anti-competitive practices. There is a need for a new profession at a company level, that of communication security specialist (large companies have departments dedicated to handling this problem).

In the digital era, not only new approaches appear in the concept of marketing, but also new terms, such as e-marketing (to designate marketing activities performed via internet) and cybermarketing (designates marketing activities carried out by means of communication and information technologies), and budgets destined for marketing address more and more the new needs of communication with the target public. The possibility of internalizing digital technologies will broaden the conceptual and practical horizons for marketing and will create a new scope and structure for marketing strategies.

Consequently, in a knowledge-based economy, as the economic environment becomes more and more intelligent, we are experiencing a reshaping of business

and, implicitly, of marketing instruments and strategies. It is important to anticipate these changes to give theory a chance to be a step ahead of reality.

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