

OPPORTUNITIES OF APPLICATION OF MARKETING STRATEGIES IN DOMESTIC ENTERPRISES

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Marketing policy consists of a set of strategies that includes the means that the entity will use to achieve the market objectives that it has established and concrete tools for action (tactics). Marketing policy implementation requires compliance of strategies with the chosen tactics. Due to the social, economic and political situation in the Republic of Moldova, the novelty of the paper consists in the existence of marketing strategies that have certain features. The aim of the paper is to identify the main problems that companies have to face while developing and implementing marketing strategies. In order to study them, a study based on survey of local businesses method was developed and conducted. The results of this research are reflected below.

Key words: *competition, marketing, marketing mix, marketing strategies.*

Politica de marketing este alcătuită dintr-un set de strategii, care includ mijloacele, pe care entitatea le va folosi în vederea realizării obiectivelor de piață propuse și instrumente concrete de acțiune (tactici). Realizarea politicii de marketing presupune corespunderea strategiilor cu tacticile alese. Datorită situației sociale, economice și politice a Republicii Moldova, actualitatea temei rezidă în existența anumitor particularități ale strategiilor de marketing. Scopul lucrării este de a identifica problemele principale, cu care se confruntă întreprinderile la elaborarea și implementarea strategiilor de marketing. În vederea studierii acestora, a fost organizată și efectuată o cercetare prin metoda chestionării unor întreprinderi autohtone. Rezultatele acestei cercetări sunt oglindite mai jos.

Cuvinte cheie: *concurență, marketing, mix de marketing, strategii de marketing.*

Маркетинговая политика состоит из набора стратегий, включающие в себя средства, которые предприятие будет использовать для достижения поставленных рыночных целей и конкретные инструменты действия (приемов). Реализация маркетинговой политики предполагает соответствие стратегий и выбранных приемов. В связи с социально-экономической и политической ситуации Республики Молдова актуальность исследования состоит в существовании определенных особенностей маркетинговых стратегий. Целью данной работы является выявление основных проблем, с которыми сталкиваются предприятия при разработке и реализации маркетинговых стратегий. Для их изучения было организовано и проведено исследование методом анкетирования местных предприятий. Результаты этого исследования представлены ниже.

Ключевые слова: *конкуренция, маркетинг, маркетинг-микс, маркетинговые стратегии.*

JEL Classification: *M30, M31, M39.*

Introduction. Many specialists in business management and marketing defined the strategy addressing, as a whole, the content and meaning of the concept as such. In this regard, the illustrious North American professors, Justin Longenecker and Charles D. Pringle treat the strategy as a realization of the prediction, pointing out that it has the aim of "*developing comprehensive essence programs regarding the future, continuing with a more detailed planning of a special nature*" [1].

Brian Quinn gives the following definition: "*Strategy is a pattern or plan that integrates the major goals of the organization, policies and action sequences into a coherent whole*" [2].

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According to Ovidiu Nicolescu, the general economic strategy designates "all the major objectives of the organization in the long term, the main ways of their achievement with the allocated resources in order to achieve a competitive advantage according to the organization's mission" [3].

If the strategy is the overall vision of how the organization's goals are met, then the tactic is the set of actions that transposes in practice the chosen strategy, when to be applied and by whom. Strategies are developed and implemented according to the specific situation and needs of the company, being developed at different times and on different occasions: in the case of the launch on the market of a new product, along with substantiation of programs, plans or enterprise budgets, etc. [4]

Results and discussion: From another perspective, marketing strategies can be classified in:

- **Action strategy** provides the products (product range); price level; region and marketplaces; used distribution channels, etc.

- **Employment strategy** sets out who, when and where will execute specific actions from the strategy in question.

- **Results strategy** sets out the way of increasing the product efficiency through the full utilization of production capacity, labor force and advanced technical possibilities, etc.

However, the social, economic and political situation of the Republic of Moldova, provide the marketing strategies with certain features. In order to study them, a study using the survey method has been developed and conducted. Thus, *by analyzing the survey results, about 44% of respondents mention that they work under a well thought out, clear and real marketing strategy, which is well-argued, rather innovative and feasible.* We believe that, in real life, this share is actually much lower. The same rate of 44% of surveyed enterprises admitted *they have a marketing strategy, but it is poorly reasoned, it is not clear in terms of realization.* The large number of companies that gave such a response shows that they do not have such a policy and, respectively, a viable and sustainable strategy that will allow them to effectively manage the business. About 4% of respondents do not have a marketing strategy, and 8% did not answer this question (Figure 1).

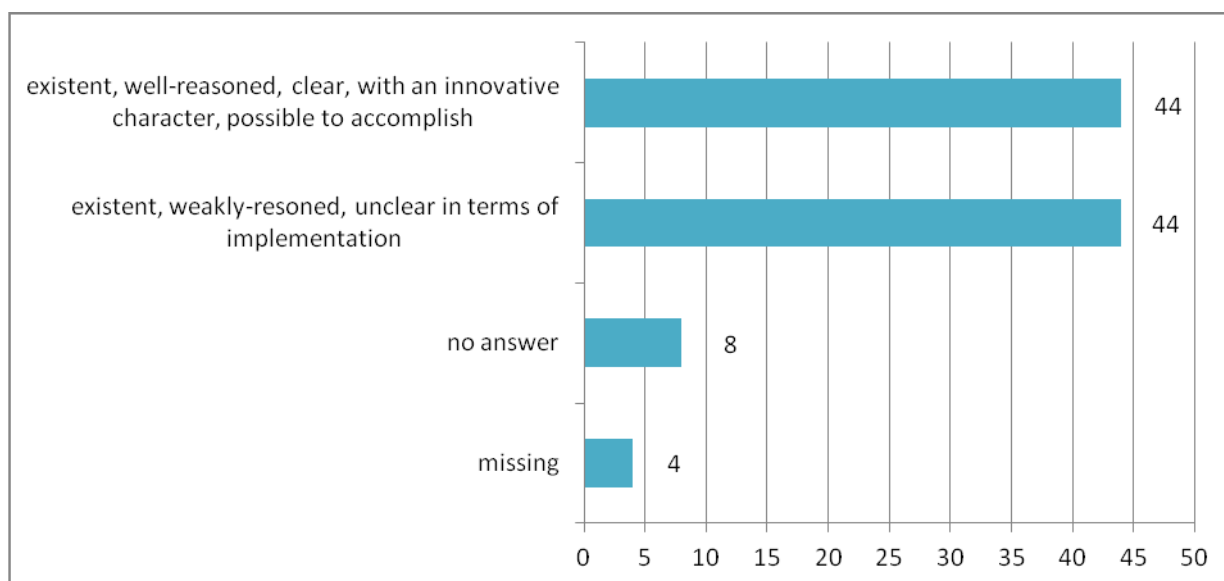


Fig. 1. Assessments regarding the extent to which businesses act as a thoughtful, clear and real marketing strategy

Source: Developed by the author.

In terms of the **competitive fight**, *marketing strategies are geared mainly towards specialization and by addressing to some specific segments of consumers*; this strategic priority has obtained the highest score of 3.8, being on the same position with strategic orientation towards advertising and information. The orientation of marketing strategies to differentiate their products from those competing was assessed with the 3.3 score, followed by service oriented strategic priority of sale and post-sale.

According to opinions on the extent to which the current period of transition to a market economy provides favorable conditions for realization, design and execution of marketing actions (strategies),

16.7% and 29.2% have a positive view, noting that the local economic environment offers very many and many favorable conditions. While the remaining 54.2% think that they benefit from average conditions (50%) or even unfavorable (4.2%). The graphical representation of the above-mentioned is given by Figure 2.

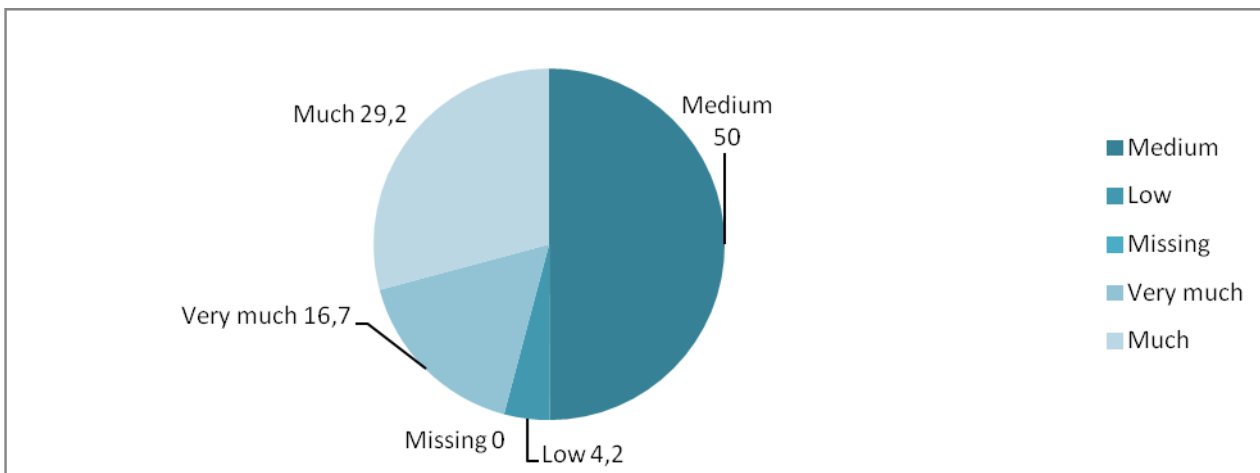


Fig. 2. Division of opinions regarding the extent that the current period of transition to a market economy provides favorable conditions for realization, design and carrying out marketing actions (strategies)

Source: Developed by the author.

We note that approximately 73.5% of respondents mentioned that *they orient their development strategy to increase sales volumes, which once again proves that domestic enterprises place the basic concept in the market strategy orientation towards sales.* A lower share, but still the majority of respondents is moving towards *developing their own businesses (67.3%), image of the company and its products on the market (63.3%), the volume of profits and the level of profitability (59.2%) and increased competitiveness (55.1%).* Only for about 1/3 of the respondents *the increase in remuneration of staff* is an objective included in the economic development strategies (Figure 3).



Fig. 3. Economic objectives of enterprises in development of strategies

Source: Developed by the author.

Strategies aimed at holding a qualified staff, at continuous innovation and continuous renewal of the product range are considered less important, being appreciated with an average score below three points (2.8-2.9). The lowest score was obtained by the orientation of competitive strategies of the surveyed businesses towards a more suitable quality of goods and services to consumers (Figure 4).



Fig. 4. Orientation of strategies to combat competitive businesses

Source: Developed by the author.

Depending on the component of the addresses marketing mix, marketing strategy can be classified into several categories: *market strategy*, *product strategy*, *promotional strategy* etc. Under current conditions, market strategy is the core of the marketing policy of the company and must comply with its external environment requirements and to exploit optimally the available resources.

Market strategy serves as the basis and starting point for the development and foundation of all other strategies of the overall marketing strategy.

In the study, for a broader analysis and evaluation of the market strategies that are leading the responding companies, more parameters were appreciated, namely: **the position of companies towards the market dynamics (growth, stagnation or regression), the position of company to market structures, the position of company to market requirements, the company's position towards competitors** (Table 1). Depending on the position of interviewed enterprises towards the market dynamics, 79.2% have proposed a *growth strategy*, ie a strategy that is specific to businesses that are in an expansion phase of their work, or which carry out their activity on a growing market. Appreciation by respondents of the marketing strategies based on the enterprise's position towards the market structures reveals the *predominance of differentiated strategies, about 52.1%, followed by focused strategies (37.5%) and by undifferentiated marketing strategies that are in minority, representing only 10.4%.*

Table 1

Classification of market strategies

Company's position towards:				
Market dynamics	Market structure	Market changes	Market requirements	Competition level
Growth strategy	Undifferentiated strategy	Active strategy	Strategy of high requirements	Offensive strategy
Stagnation strategy	Differentiated strategy	Passive strategy	Strategy of medium requirements	Defensive strategy
Regression strategy	Focused strategy	Adaptive strategy	Strategy of low requirements	

Source: [5].

Differentiated strategies require a specific approach for each market segment and are specific for less segmented markets, being a quite expensive strategy. In turn, focused strategies aim at one or a few segments of the market on which efforts are focused. This strategy is often adopted by companies that offer very specific products, for example for blind people and small businesses that are unable to meet several market segments.

About 72% of companies from the sample mentioned that they have an active marketing strategy, and **we consider this share to be erroneous**, this type of strategy being specific for typically large companies with high growth potential, with a prospective attitude, forward-looking. We also consider erroneous the share of declared strategies with high requirements (61.4% of enterprises) such strategies involve a high level of quality products and services that the company offers to market.

Of those surveyed, **in terms of the position towards competitors**, 37.8% mentioned that they have an *offensive strategy*, or an attack strategy, which implies an aggressive stance aimed at increasing the market share of the company, this marketing strategy being specific to strong businesses. Defensive positions or those of maintaining the market share and the collaboration with competitors are appropriate for marketing strategies of 31.1% of respondents for each category of strategy.

As mentioned above, the company's marketing strategy establishes company's orientation towards specific groups of customers and how the value will be created and proposed for these customers. Based on this strategy, a marketing program is developed that in general, builds relations with customer in accordance with the provisions of the strategy. Any program represents a statement of principles, goals etc. of an organization implemented through a plan of activity in which there are established (in order of their occurrence) the proposed steps for a certain period and in a certain order. The main tool for the implementation of the marketing program is, as was mentioned before, the marketing mix, ie the set of marketing tools that the company uses to implement its marketing strategy. **On the foundation of the marketing mix depends largely the implementation of the strategic decisions of the company.**

In about 70% of enterprises participating in the study plans are developed, among which the majority, or 36% of respondents have annual plans of a general character; within the 34% of enterprises, perspective plans and annual plans divided quarterly, monthly and by decades are developed. For other companies very little is planned (22% of all respondents), or is missing in 2% of economic units, about 6% did not answer (Figure 5). We believe that most of companies have a superficial approach on the marketing plans and companies are unaware of the advantages. It is worth mentioning that the majority of enterprises explain this by the lack of certainty and by accelerating changes that occur in the marketing environment of firms.

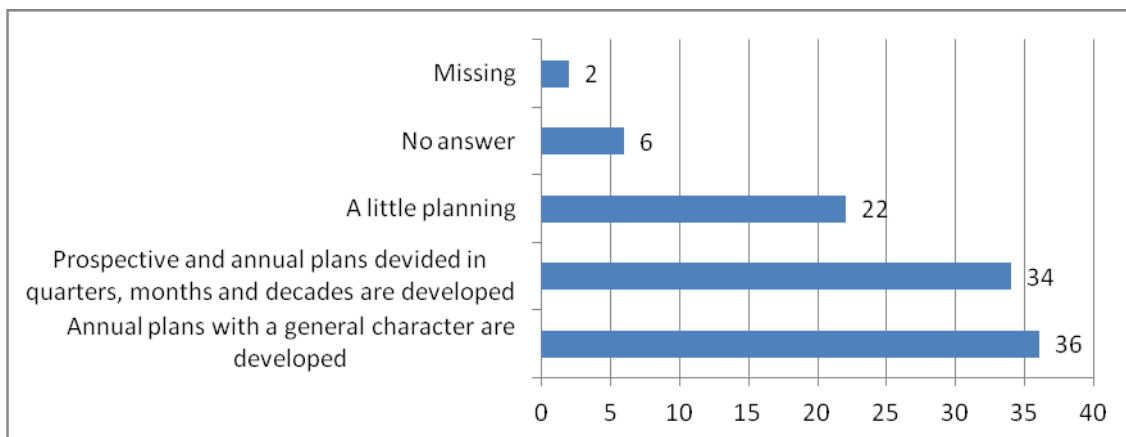


Fig. 5. Assessments on practicing in enterprises of the planning marketing activity through which the proposed strategy materializes

Source: Developed by the author.

Development and implementation of marketing plans is a process conducted differently in each enterprise. Within the 34% of respondents, this activity is charged to the whole team. About 24% of respondents have specialized departments in the development and later organization of marketing plans. Obviously, there are entities where this task is performed by one person, and the share of enterprises with such an approach is quite high, 22% of all enterprises surveyed. 12% of companies organize marketing plans throughout the entire organization by specific departments. This approach may be one accepted in the case of small businesses, in which all staff is aware of their company's activity, but there is still a need of an overall vision and a marketing study performed by a skilled person (Figure 6).

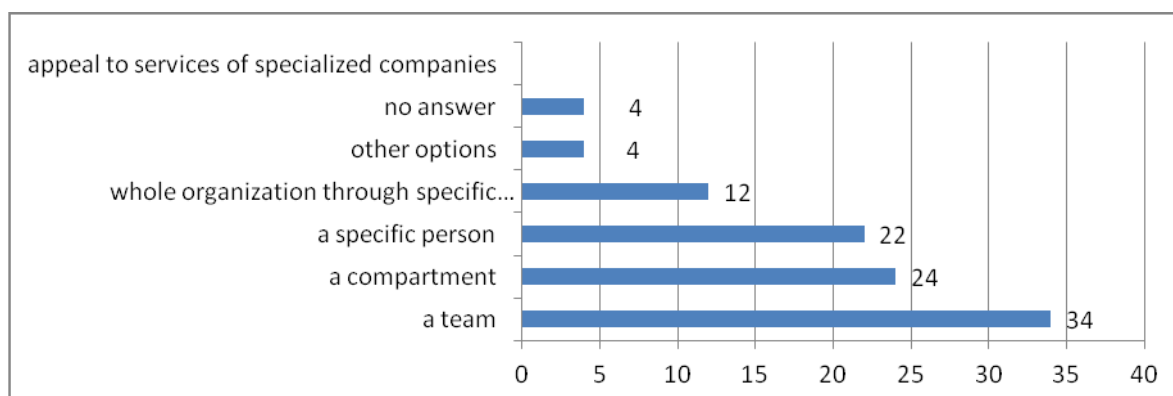


Fig. 6. Organization of marketing plans

Source: Developed by the author.

Marketing planning in domestic enterprises is usually performed on short and medium term; this situation is also caused by the uncertainty of the marketing environment, but also the need for an increased volume of information and more complicated and complex investigations for development of the marketing plans for a long term. Thus, 60% of businesses make their marketing plan for a year, for three years – 20%, for 5 years and more – only by 4% of companies for each category of time (Figure 7).

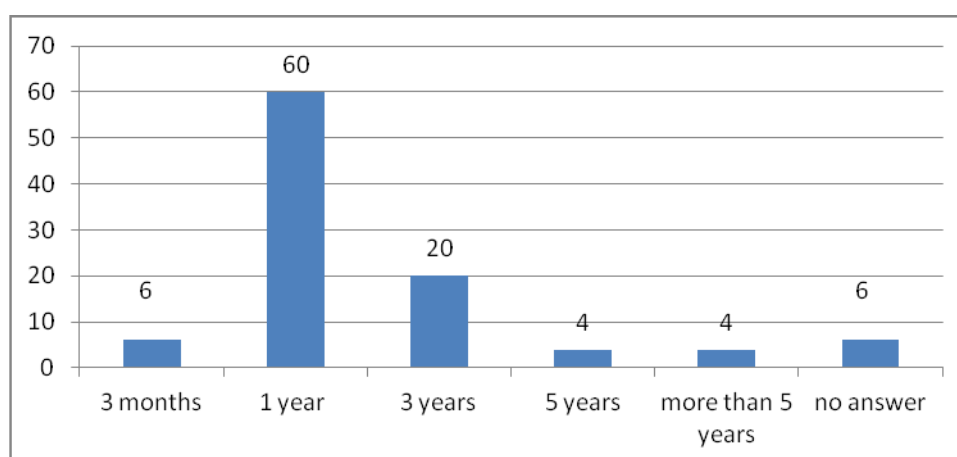


Fig. 7. Horizon of marketing planning within an enterprise

Source: Developed by the author.

In accordance with the above-mentioned, to base a marketing strategy and plans that describe it, there is a need for a set of components, namely: qualified staff, extensive and qualitative information, methods and techniques of marketing research etc. Currently, the information has become an important resource for success.

To this end, there are usually collected and analyzed several categories of data:

- general economic, social, environmental, medical and geographical data of the region where the company is located;
- data specific to the evaluation object, ie product, customer or market segment, etc.;
- industry-specific data are: available modern technologies, standards and regulations in force for the entire life cycle of the product and the positive or negative experience of other companies in the sector.

Collected data must meet the following requirements: be relevant, be exact (data collected must reflect the real situation on the valuation date), to be trustworthy and be complete (data should be sufficient to justify the decision). It is also necessary to perform safety analysis of sources of obtaining information.

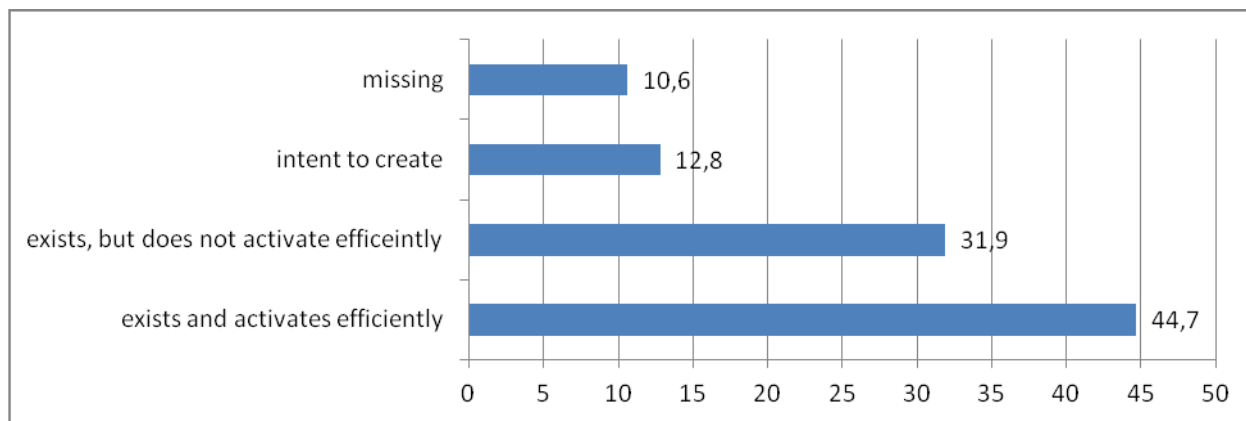


Fig. 8. Implementation of informational marketing systems within the companies

Source: Developed by the author.

Thus, enterprises must have a marketing information system. 44.7% of respondents mentioned they have such a system and it works effectively, 31.9% have such a system but it is inefficient. The remaining respondents included in the survey, 23.4% said they do not have such a system, including 12.8% who intend to create it (Figure 8).

Obtained marketing information are used more widely during the decision-making process within the 85.4% of the enterprises surveyed (Figure 9).

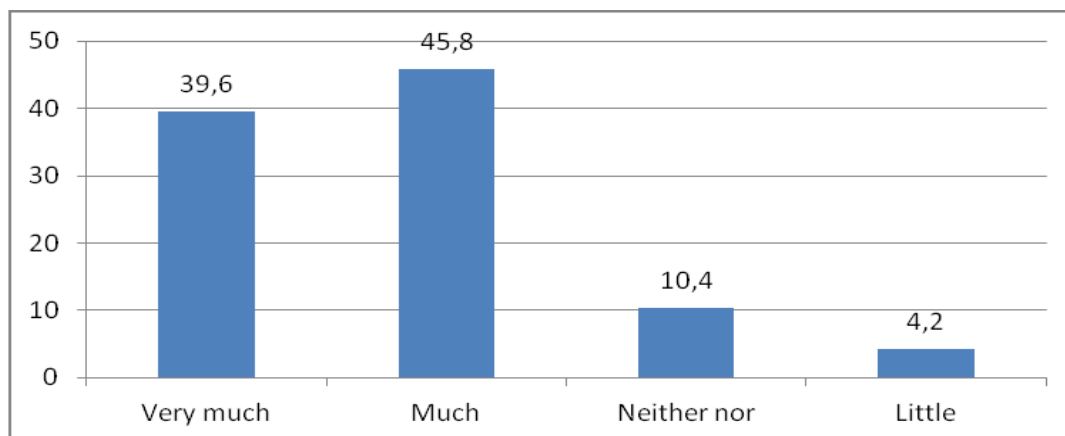


Fig. 9. Assessment of the usefulness of marketing information for the decision making in enterprises

Source: Developed by the author.

Marketing research is defined as all means that enable the collection, analysis, presentation and quantification of all useful information for marketing. Marketing specialist is not in permanent contact with the consumer or retailer, but its action requires a perfect knowledge of agents that are operating on the market; information allows him and the quality of marketing depends on the quality and its usage. Such research are welcome, but often expensive; companies undertake such investigations with a different periodicity, and non-routine. Also, we should note the different approach of the importance of this activity by businesses. *In the study it was found that 47.9% of enterprises have realized the latest marketing research recently, 27.1% - a few months ago.* The share of those who have not done such research is also very high, 14.6% of survey participants.

Conclusions. Analysis of survey of most of domestic enterprises shows that they do not have a policy and, respectively, a viable and sustainable strategy, enabling them to effectively manage their business. We find that today, successful companies have in common the fact that they focus intensely on the customer and are completely engaged in marketing activity. At the same time, to develop an effective marketing strategy, that will allow holding a high degree of competitiveness, we recommend the company to focus on two main issues, namely:

1. To whom its activity is oriented, which customers will be served;
2. What are the methods and techniques to best serve these customers.

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