THE MARKETING MANAGEMENT BUSINESS PROCESS IN BUSINESS DEVELOPMENT

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Abstract:
The marketing management business process represents a group of interventions through which the manager foresees, organizes, coordinates, takes decisions and controls the activity of its employees, with the purpose of reaching the objectives as far as the marketing is concerned, in terms of profitability and utility. The sphere of interest and the intensity of the marketing management are in a dependency relation with the managing echelon and it is based on various factors. The marketing management process has to begin with researching the consumer's needs and continue with establishing the shape that the product should take in order to insure its full acceptance on the market, the marketing activity should basically solve certain problems: What can be sold? What quantity in? At what price? Where? How? When?

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The essence of the marketing management process consists of focusing the human resources towards coordinating the common work developing on the market field and it has a specific content.

Every company has to have a strategy of adapting to the market's dynamic position, since there is no generally valid strategy in this sense. Therefore, each company should find itself the best solution to the situation, the possibilities, the objectives and its resources.

Strategic planning is the first step of the marketing planning, and it defines the marketing activity's place in the organization's structure. Inside each enterprise, the strategic planning process develops on various independent organizational and decisional levels:

a) **The upper organizational level** is the highest level of planning in any enterprise, the basic strategic decisional aspects pursued at this level referring to establishing the mission and formulating the company's financial and non-financial objectives, the structure of the activity's portfolio, determining the development possibilities, the volume and way of assigning the financial resources.
b) **The level of the strategic activity unit** represents the level in which managers try to identify and exploit the competitive advantage on the market or on the targeted market share. A strategic activity unit is a division of the company which has separate mission and objectives, for which a different planning is made, independent of other decisions. Therefore, the strategic activity unit might be a division, a product line or a single product or a brand of the given company. One can identify a strategic activity unit based on the following characteristics: separate planning, distinct management and personal competition.
c) **The functional level** refers to the company's functions, which are separately planned for each strategic product unit. Therefore, at the level of the marketing

function, plans are elaborated for each product and it includes both strategic and tactical decisions.

Interdependence and determination relations establish between the three levels, the plan developed at the company's upper organizational level coordinating the other two levels' corresponding plans.

The strategic plan has various elements: the company's mission, the strategic requirements, the SWOT analysis, the portfolio's analysis, the objectives and strategies.

The company's mission consists of the comprehensive enunciation of the fundamental purposes and of the idea regarding the evolution and development of the company's activities, which makes it different from similar companies and from which the sphere or field of activity is being outlined and the served market. Many organizations map out official mission declarations which include the answers to the following questions: what activity are we involved in? Who are our clients? Why are we involved in this activity? What kind of an organization are we? Apparently simple, a company's specialists should answer to these questions, and the successful companies that manage to do this prove the respective organization strength. The mission declaration is an official statement regarding an organization's objective, respectively what it tries to accomplish inside the general medium.

Companies have generally defined their activities concerning the product ("we build cars"), but the mission declarations should target the market. The company's management should describe the mission in a way neither too restrictive, nor too wide, therefore, according to Kotler, a company's mission should be: *realistic, specific, based on typical competences and motivating*.

The most successful mission is based on a vision, being "a contagious dream". The company's mission declaration should offer, besides a vision, an operation direction for the next 10-20 years, the mission having to be redefined by the company if it losses credibility or if it no longer shows the optimal direction that the company should follow.

The company's mission is a reference element for the strategic planning process, setting the borders where the strategic activity units and the company's functions operate.

The corporate objectives are the first operational element of the formulated strategy, starting from the mission with the help of the company's and medium's analysis results, in their interaction.

The planning characteristics at the upper organizational level, at the strategic activity unit's level and at the functional level reflect in the peculiarity of the objectives elaborated at these levels. The objectives characteristic to the upper organizational level, the company's fundamental objectives divide into two categories: economic and social.

The economic objectives synthesize and quantify the long-term purposes had in view by the owner, the upper management and other types of major stakeholders. Thus, the most frequent economic objectives refer to: the profit, the profit rate, the turnover, the market quota, the labour's productivity, the quality of products and services. It is worth mentioning that the company's strategy does not necessarily have to include all these objectives, the organization setting its objectives according to the involved decisional factors' conception.

The social objectives prove to have, in time, a major impact on the company's development and performances. These objectives might refer to: pollution control, co-operation authorities, employees' payment and working conditions, clients' satisfaction through quality, durability, flexibility and price of the offered products and services, suppliers' permanency in exchange of offering quality products at acceptable prices and on the agreed terms.

Another classification of the objectives, according to the way of expression, divides them into quantifiable and non-quantifiable.

The general objectives concerning the sales' value and volume as well as the sales' evolution within the planning horizon, will then be divided on activity units and on products.

- The objectives of the strategic activity unit are generally financial objectives, formulated similarly to the company's general objectives. The difference from the general objective is that the strategic unit's objectives are more specific and they confine to a part of the company's activity.
- The functional marketing objectives are co-related with the company's general objectives. The marketing plan's objectives are classified according to their nature, as it follows: financial objectives, which are taken from the company's strategic plan (turnover, sales' value etc.) and the marketing objectives which transpose in marketing terms the company's financial objectives. In their turn, the marketing objectives can also be quantitative or qualitative. Examples of frequently seen quantitative marketing objectives can be considered the following: *the market rate* – expressed under percentage shape, indicating the importance of the company's participation to the transaction on the total market; *the relative market rate* – reveals the company's position as compared to the one considered the most important competitor on the market and it is calculated as a relation between market rates of the two companies; *the brand's notoriety* – represents the percentage of considered company's presence, from the total number of retail companies, which trade the respective company products; *the market's covering level* – represents the percentage of the company's presence, from the total number of retail companies which merchandise the respective company's products

The qualitative marketing objective encountered in the marketing plans can be: improving the company's image or the image of a product line. Such objective can facilitate attracting some relative non-consumers and increasing the present clients' fidelity.

The stage of *uutlining the present situation* represents the second step of making the marketing strategic plan, having the following elements: *the analysis of the internal and external medium, the SWOT analysis and the hypotheses*.

The analysis of the internal and external medium is made by means of a marketing audit with the purpose of identifying the most significant endogenous and external factors which influence the company's marketing activity but also of outlining these factors' impact. *The marketing audit* consists of specifying, gathering, measuring, analyzing and interpreting the data and information regarding the company's external and internal medium. Due to the fulfilled functions, a great importance is given to the audit process, therefore the marketing audit functions are the following:

- providing the informational input;
- identifying the major factors within the internal and external medium;
- determining the impact of these factors on the company;
- offering a complete temporary perspective;
- systematical, critical and un-biased evaluation of the company's present marketing situation;
- finding the critical aspects that the company faces.

Since the marketing audit studies the impact of exogenous and endogenous variables on the company's activity, it has two distinctive elements: the external audit and the internal audit.

To achieve its purpose, that of identifying the medium's tendencies which influence the company's ability to fulfill its mission, the marketing audit supposes sufficient, correct, current and relevant information. The company can decide for having the audit made by a consulting company, it can make its own auto-audit or it can choose for having the audit made by a mixed team, made up by representatives of the company and external consultants.

The SWOT analysis is a synthesis of the marketing audit, which reflects the company's strong and weak points, the opportunities and threats of the external medium. Therefore, the conclusions of the external audit are outlined by the favourable occasions and the dangers of the external medium, namely opportunities and threats.

The company's strong points and weaknesses do not refer to all aspects of a company's activity, but only to the ones related to decisive factors of success. The statement according to which "both weaknesses and strong points are relative and absolute", is followed by another Kotler's relevant argumentation: "it is good to be good in what you are doing, but this can be a weakness if the competition is stronger". Each strong point is accomplished and measured both from the perspective of its intensity and from that of the importance of the company's activity success.
The utility of analyzing the company's strong points and weaknesses lies in the possibility of comparing with the competition, and in order to establish the measure in which other strong points represent basic competencies, different in relation to competition and to determine their strategic importance, the company would have to analyze, from the perspective of the following characteristics the basic identified competencies:

- *The property* – this characteristic referring to the competencies owed to the human resources;
- *The durability* – it reflects the company's ability to adapt to the offered products' life cycle or the activity department they operate in;
- *The transferability* – outlines the differentiation from competition through the research character (touchable/untouchable);
- *Imitation*

The analysis of opportunities and threats within the external medium supposes to classify them according to the manifestation possibility and the impact they have on the company, using for this purpose the opportunities matrix and the threats matrix. Taking into consideration the two matrices, the marketing specialists will formulate the objectives and strategies of the marketing plan so that it exploits the most significant opportunities, respectively to avoid major dangers.

The hypotheses of the marketing plan refer to the future evolution of major components of the medium. They represent estimations regarding the key factors on which the company's success depends. The hypotheses are at the basis of the objectives and strategies that will be proposed.

According to its marketing objectives, the company will choose certain strategies to direct its activity for obtaining the wanted position on the targeted market, pursuing the adjustment of the marketing strategies to the company's general strategies. Talking about the marketing strategies, first of all it is presented the company's choice regarding the product-market couple. For this purpose, the product-market matrix is chosen, which offers a set of possible ways, such as:

The draw-back strategy – this possibility is relatively rare in the marketing plans. There are however situations when complete or partial draw-back from the current markets is a recommendable strategy. Adopting such a strategy will lead to selling the products, the assets or the entire business to other operators on the market.

The consolidation strategy – maintaining the current position on the markets, regarding present products, sometimes means making some changes in the way the company operates. The consolidation strategies should be adapted to the current markets' situation.

The market penetration strategy – the company's decision to develop onto the present markets with the present products carries out into a penetration strategy. The easiness of applying a penetration strategy depends on two major factors – the market's evolution stage and the competition's positioning on the target market.

On the markets in a *growing stage*, companies with low market rates or companies recently on the market can obtain relatively easily a higher percentage in the transactions of the respective market. This rate increase is possible if the other companies can not or are not interested in satisfying the increased demand.

For the companies operating on *mature markets*, the penetration strategy is more difficult to be applied. The market leaders have the advantage of some lower costs, a fact which limits the market rates increase attempts of the other companies. However, the companies which dominate certain market segments, un-attractive for the main offerers, they might try to penetrate the entire market.

A declining market offers the penetration possibility, which means that certain operators leave the markets. Under these conditions, the market rate can be improved relatively easily. The sales' increase pursued by the penetration strategies can be obtained by choosing one or more of the following possibilities:

- attracting the product's relative non-consumers/non-users, which are the competition's clients**;**
- increasing clients' fidelity towards the products offered by the company**;**
- encouraging the product's more frequent consumption or usage.

The product-market matrix gives the company various strategic alternatives. According to its resources, to the evolution of the external medium and the long-term objectives, the organization chooses one or more of the shown strategies.

Formulating the marketing strategies, within the marketing planning process, begins with the generic strategy chosen by the company, according to the mission and its objectives. Basically, according to Michael E. Poter's opinion, the company can select one of the following generic strategy possibilities:

- **The strategy of the lowest total cost**. Based on this strategy, all advantage sources regarding production and distribution costs are rendered profitable. The company stresses upon maintaining its costs to the lowest level as related to the competition. Choosing such a strategy means that the company should have a high technological, productive and logistical potential.
- **The differentiation strategy.** This strategy is the equivalent of creating a unique position of the company on the market. Through its oneness as far as, for example, the quality of the product or the services associated to the products is concerned the company can practice a higher price level. Operators are capable of making a lasting differentiation towards competition, and when the price allows the recovery of supplementary costs owed to the differentiation, they will obtain performances superior to the average. To be viable, the differentiation supposes considering some attributes of the offer that can not be found at the level of the competition.
- **The focusing strategy.** The company directs towards one or more market segments, giving up to covering the entire market. The company's strategy will be based on the thorough knowledge of the needs specific to the target segments. There are two different possibilities of this strategy, because the

company can focus its strategy either on the low costs (looking for an advantage regarding costs), or the differentiation from competition.

These generic strategies can contribute to obtaining certain competitive advantages. Long-term profitability depends however on the way the company manages to provide the durability of these advantages.

To be successful the company has to satisfy the consumers better than competition. Therefore, the marketing strategies have to be aware of the consumers' needs and the competition's strategies. Consequently, the company has to have in view its size and position within the industry and then establish the positioning way which would allow it to obtain the strongest competitive advantage possible.

Despite its importance and of the fact that theoreticians unanimously agree that the marketing planning take a central part in the process of getting profit, few researches have been made in order to identify why it is badly understood and incorrectly executed, on both shores of the Atlantic, by a large number of companies.

The first papers about marketing planning failures show that recent studies have come to similar conclusions to the ones got 25 years ago. Moreover, the researches describe well enough the planning difficulties but these difficulties but they generally do not manage to tie these difficulties to a "general" theory.

To all appearances, there is a wide compromise in the specialty literature regarding the greatest obstacles for the marketing's efficient planning, as it follows:

- The cultural/political obstacle, expressed in the lack of confidence in the marketing's planning efficiency and/or in the necessity of change;
- The cognitive obstacle, which consists of the lack of knowledge and abilities.

More recently, a growing attention has been given to these two factors, considered as key coordinates of success in the marketing strategic planning.

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