

## TRENDS IN THE EVOLUTION OF MARKETING MANAGEMENT AND ITS IMPLICATION ON THE BUSINESS ENVIRONMENT

*Doina I. POPESCU*<sup>a\*</sup>, *Eduard Gabriel CEPTUREANU*<sup>b</sup>, *Sebastian Ion CEPTUREANU*<sup>c</sup>

<sup>a</sup> The Bucharest University of Economic Studies, Romania

<sup>b</sup> The Bucharest University of Economic Studies, Romania

<sup>c</sup> The Bucharest University of Economic Studies, Romania

---

### ABSTRACT

*In this article, we present the necessity of restructuring and re-evaluating the manner in which companies conduct their entire activity as a consequence of major mutations happening in the business world. We present the changes occurring at the level of marketing optics, as well as changes at strategic, operational and functional levels.*

**KEYWORDS:** *civilisation marketing, internal marketing, marketing management, relational marketing, sales strategies, scent marketing.*

---

### 1. INTRODUCTION

The major mutations happening in the business world impose the restructuring and re-evaluation of the manner in which companies conduct their entire business.

Concerning the evolution of marketing management, in order to react to the changes in the business environment, Malcom McDonald (1998) differentiates between two major categories of changes occurring at the level of marketing optics, namely:

- strategic changes (linked to the conceptual and strategic roles of marketing within a company);
- operational and functional changes, occurring at the level of the practical function of marketing.

Strategic changes are projected in the area of social legitimacy, organisational culture and entrepreneurial vision issues. Seeking legitimacy (the affirmation of the company's social role) implies resorting to institutional marketing. The cultural problem (the fine tuning of owners-managers' and employees' values) induces the need of applying internal marketing. The affirmation of the entrepreneurial vision claims the use of integrative and communicational methods, such as project analysis. The communication strategy is founded on marketing methods, in order to ensure coherence between the image perceived by the public and the company's own identity (its dominant values and its vision).

These three strategic company changes – societal legitimacy, organisational culture and its entrepreneurial vision – conceptually bring new paradigms differentiating post-modernist marketing, subject of specialists' debate at the end of the 20<sup>th</sup> century, from traditional marketing. Hence, three perspectives can be ascertained in understanding the optics of marketing via a systemic approach:

- civilisation marketing;
- internal marketing;
- relational marketing.

---

\* Corresponding author. E-mail address: doinaipopescu@yahoo.com

With regards to civilisation marketing, the analysis of the life cycle of the marketing concept (the period of dominating the productive sector and, respectively, the period of dominating the consumer) has highlighted the convergence of various authors' viewpoints regarding the specificity of the current development phase of this concept. Thus, irrespective of how it is called, the last phase – appreciated as a maturity phase and not at all as a decline – grants top priority to the relationship between the company and its environment. Under these conditions, the company's governance imposes a new marketing optic: civilisation marketing. It is a natural reaction for a company, knowing its customers' desires, to choose those that are in consensus with its strategic objectives, without taking into consideration the long-term interests of society. Consequently, for instance, companies producing disposable packaging, albeit light and practical, generate an increase in the quantity of waste released into nature. Some companies however can conceive and implement 'green' strategies, may promote 'green' marketing, respecting the environment, accepting that the ecological argument is a sales argument.

Obviously, it would be utopian for us to expect from companies a self-discipline resulting, in the long term, in systematically obtaining benefits in service of society's positive evolution. This is why civilisation marketing is necessary, its characteristics being:

- it is elaborated by the government starting from the economic and social information it has access to, considering citizen's expectations;
- it contains the project of a certain inter-individual relationship structure which will be the defining signs for a state of civilization;
- its global objective is individuals' and groups' well-being;
- it is proposed to companies as the guiding axis of their strategies;
- it is widely communicated (Ristea & Ioan-Franc, 2010).

C. Matricon (1993) defines civilization marketing as being the constraints to be respected, the efforts to be consented upon, in order to attain a certain structure of inter-individual relationships expressed through social signals. The civilisation project is that of society's government, represented at each level by social structures: local regional and national. The government needs to propose to companies this project, in which they will assign their strategies. Hence, the politics of governmental institutions will serve as a framework for company policies.

With regards to internal marketing, M. Bruhn (2001) defines it as the systematic optimisation of a company's internal processes, with the aid of instruments from marketing management and human resources management, in order to impose marketing as an internal manner of thinking, through a consistent orientation towards clients as well as staff, with the aim of effectively fulfilling the company's market objectives.

With respect to relational marketing, E. Gummesson (cited in J. M. Thomas, 1998) was among the first authors to have defined this new concept as being marketing regarded as a sum of relations, networks and interactions. E Gummesson succeeded in identifying 30 types of relationships which can be found in the practice of relational marketing, such as: the classical relationship between the seller and the buyer; the client – supplier – competitor relationship; relationships in a 'non-commercial' network, exterior to the actual market of the company – government, regulatory entities, influential persons – without whom marketing would not be able to become operational; the inter-functional and inter-hierarchical dependence at company level, etc.

Operational changes refer to the voluntary endeavour of organising sales and communication strategies, whose objective is to make known and endorse among potential buyers the distinctive qualities of products offered by a company on its relevant market. In direct relation to strategic and conceptual changes in marketing, as a response to companies' major challenges lying ahead comes the necessity of operationally adopting new fundamental behaviours characterising, in essence, an active marketing attitude (Lendrevie & Lindon, 1997).

Consequently, avoiding marketing short-sightedness, or in other words seeing further than the product, means:

- keeping close to the clientele, in spirit but also physically;
- substantiating the company's decisions on facts and not only on opinions;
- being capable to exercise critical thinking, synthesis and anticipation;
- constantly monitoring the competition;
- daring to take initiative, whilst considering the business risks;
- reaching the balance imposed by the business environment and the company's own market policy.

On the other hand, the introduction of any economic innovation within a complex community, such as the market, succeeds only if and when the community is able to also culturally adapt to it or in other words only if innovations are accepted and understood from a social standpoint. This is what marketing owes and is capable of doing via its ever so complicated and complex endeavour (Ristea & Ioan-Franc, 2010).

## **2. EXAMPLES OF CHANGES IN STRATEGY AND CHANGES AT OPERATIONAL AND FUNCTIONAL LEVELS**

The need to identify durable, intelligent solutions for new industry and services opportunities creates new consumption needs. Consequently, users' consumption habits and business strategies very quickly take unexpected shapes, allowing the creation of new complex functional economic systems, which would permit a more restrained use of resources and responsible consumption (Popescu, 2018).

Thus, new business models have emerged, such as: circular economy, green management, sharing economy (Popescu et al., 2016).

The implications and consequences of environmental factors' actions on the reconfiguration of company strategy are rendered in the works "Competitive advantage assuring within clothing manufacture companies in Romania" (Popescu, 2009), "Green fashion – a new possible lifestyle for Romanians" (Popescu, 2013), "The importance of innovative clusters' proliferation for sustainable economic growth of Romania" (Popa & Popescu, 2013), "Economic recovery strategies for an innovative Romanian industrial sector" (Popescu, 2012), "The correspondence between workforce skills and company needs" (Popescu, 2013), "Two Stage Analysis of Successful Change Implementation of Knowledge Management Strategies in Energy Companies from Romania" (Ceptureanu et al., 2017), "Empirical Study on Sustainable Opportunities Recognition. A Polyvinyl Chloride (PVC) Joinery Industry Analysis Using Augmented Sustainable Development Process Model" (Ceptureanu et al. 2017) and "ICT Challenges and Issues in Climate Change Education" (Alexandru et al., 2013).

Relevant for the fact that some companies choose to conceive and implement 'green' strategies, respecting the environment, and considering that the ecologic argument is a sales argument, is the example of the Tom Cridland brand. We chose this example because this niche brand created in January 2014 started from the idea of fabricating the ideal trousers and, without an advertising budget, but with many good marketing ideas, perseverance, telephone calls and e-mails sent to British and international editorial offices, ended up designing custom trousers for Leonardo DiCaprio and Daniel Craig within a year. At the beginning of 2018, Tom Cridland launched a campaign against Black Friday and Cyber Monday, a form of mini-protest thought of as a return to durability. In fact, starting with 2018, this is how Tom Cridland wants to be perceived, as a durable brand, extending this philosophy also in retail, not just in production. Although in 2017, Black Friday and Cyber Monday represented two of the brand's best sales periods, in 2018 they decided not to participate. The brand's founder and manager considers that Black Friday and Cyber Monday are in fact quite detrimental to independent enterprises and, also, undermines the rising change movement towards durability. Hence, in the context in which the fashion industry is the second

most polluting one in the world, it is imperative to encourage consumers to buy less and better. Tom Cridland realised the fact that it is not truly profitable for brands to encourage exorbitant discounts, these meaning either that these clothes were not ethically produced, or that retailers are trying to get rid of unwanted inventory. This leads to the result that people buy clothes only for the sake of buying something, and this increases the chances that these clothes will end up in the ever-increasing garbage pile. Moreover, Black Friday and Cyber Monday have a negative effect on shopping habits prior to Christmas, a crucial period for the trade. If the entire family budget goes on discounts, the client base weakens for brands with lower profits, higher quality and more transparent ethics.

In a recent interview, Tom Cridland declared that, from the very start, he intended to develop a transparent brand offering high quality, valuable and interesting products, and recognised having had the opportunity of dressing the famous actors Leonardo DiCaprio and Daniel Craig. Furthermore, after having seen the documentary *The True Cost* and having met its director, Andrew Morgan, he decided to base his business on durability. The main challenge related to the means in which he would promote his vision, namely how he would spread the word about the brand as far as possible, without any budget. Thus, Tom Cridland had to learn to do PR and actually did it quite well, not only in terms of sales growth, but also in succeeding to develop another marketing business, through which he supports other brands, called Tom Cridland Public Relations.

The brand's most important collections are The Entrepreneur's Shirt and The 30 Year Collection.

The Entrepreneurship's Shirt collection was created after Tom Cridland was on the verge of giving up his business, at the very beginning of its entrepreneurial journey. He created this collection realising how important it is to have a chance, adequate financing and mentorship. More than this, 10% of the sales proceeds are donated to DEKI, a charitable organisation supporting entrepreneurs from developing countries.

The 30 Year Collection is comprised of blouses, T-shirts, shirts and jackets made of Italian cotton, linen and cashmere. Each piece of this collection is manufactured so as to last as much as possible, being accompanied by a 30-year guarantee. This purports that, if any piece of the collection suffers any deterioration in the following three decades, it will be repaired or replaced free of charge (Turp-Balzs, 2018).

In connection to the operational and functional changes occurring at the level of the practical function of marketing (the voluntary approach of organising sales and communication strategies, whose objective is to make known and endorse among potential buyers the distinctive qualities of products offered by a company on its relevant market) we chose two examples, as follows: the new shopping model initiated by Amazon Go and scent marketing (aligning aromas to brands' and clients' personalities).

At the beginning of 2018, the gigantic online retailer Amazon opened, not without a sense of irony, its first offline shop. However, the type of shopping that Amazon Go clients experience is different from other supermarkets, prefiguring itself as one belonging to the future. Even if the shop looks like any other shop, full of food shelves, the major difference is that payment is made by phone, via an app. If the model proves successful, Amazon may replicate it within the supermarkets chain it purchased, Whole Food. In this store, technology is not visible, but it is omnipresent. There are no cashiers, and the buyers may exit the store through the same place they went in, without stopping to take out their credit cards, as they will be taxed from their Amazon account for what they took off the shelf. There are no trolleys nor shopping carts, since there are no cash registers, either with a cashier, or automatic. Clients may directly put their products in a bag, but each time they take something away from a shelf, it is added to their virtual shopping cart. If you place the product back on the shelf, it disappears from the virtual shopping cart. And so on and so forth. Everything functions with the aid of technology placed above, namely hundreds of small cameras installed everywhere.

The news created panic among US cashiers, whose jobs may be put in jeopardy by Amazon technology, especially since it is speculated that Amazon might sell it to other companies as well. Currently, over 3.5 million people work behind cash registers in the US, and the future does not look bright for them.

The Amazon Go shops experience could be felt to resemble shoplifting. But probably the sensation suddenly disappears once your receipt appears on your phone.

On the other hand, if we can say that Amazon is on the brink of changing physical retail, the online giant has also helped small US businesses. Hence, last year over 300,000 SMEs joined the Amazon Marketplace platform, who sold billions of products throughout the world. According to official data, half of the products sold on Amazon globally are supplied by American SMEs. In 2017, over 140,000 SMEs having sold on Amazon Marketplace had sales of over 100,000 dollars. These businesses reinvest in the local community, create workplaces and support local suppliers. But Amazon Marketplace helps many small businesses, not only in the United States, but also in over 130 countries. Apart from Amazon Marketplace, the retailer has also launched, in 2011, the Amazon Lending and Amazon Handmade programs (Turp- Balazs, 2018).

Scent marketing purports that you create or choose a perfume to respect and integrate with the identity of each brand. Scent marketing is not only about perfuming a space, but also about the values and image of a brand via a scent that matches not only with the products/services and targeted clients, but also with the interior space it is emitted in, with the architecture and materials used, even with ambient light.

The sense of smell is the strongest human sense and it is crucial in communication, being directly linked to the limbic system of the human brain, which is connected to memory, but also to well-being. The connections we create in our brain, either consciously or unconsciously, are profound whenever we experiment a service, a product, a brand in an environment with a pleasant perfume. Smell cannot be ignored, unlike other senses. For instance, in retail, all that pertains to visual marketing can deliberately be overlooked, or subconsciously be excluded from our cerebral analysis precisely on account of the brain being constantly bombarded with too much visual information. Similarly in the case of hearing, we can completely ignore ambient music, advertisements or certain sound information when we enter a space. But we cannot ignore the sense of smell, as from the very first seconds we enter a place, our brain instantaneously analyses if that place is dangerous or not, welcoming or not. Thus, the client associates quality perfume with a premium brand or product.

From fashion retailers to hotels, restaurants, showrooms or private events, the clientele potential for scent marketing is immense.

In Romania, scent marketing is not yet well known, and those who are aware hardly budget any expenses in this direction. In fact, Air Aroma is the only scent marketing agency in Romania, with a focus on branding. Scent marketing in the true sense of the word has been present for approximately two years, when also our market exhibited more openness to this new concept and started focusing on quality; scent marketing was thus integrated into newer concepts such as 'customer experience' and 'branding'. In this manner, the concept of 'signature fragrance' appeared in Romania, but all in close connection with standard marketing and communication strategies.

The most Air Aroma clients do not come from fashion retail, but from the hotel industry. Such clients are large chains such as Sofitel, or boutique style chains such as Armani Hotels, Ritz Carlton in Chicago and New York, Cathay Pacific lounges. Another significant segment is the automotive sector, with scented showrooms through which brands create unforgettable experiences. Other segments are entertainment (first of all casinos, but also private events). With regards to the fashion industry, Air Aroma has among its clients renowned fashion houses such as Max Mara, Hugo Boss, Manning Cartell or Aston Martin, whilst also being a traditional partner of the VAMFF event (Virgin Australia Melbourne Fashion Festival).

By appealing to scent marketing, things will take a different turn on the Romanian market when physical stores will understand that they need to offer as interesting an experience as possible in order not to be taken out of the game by online commerce (Turp-Balazs, 2017).

By conceiving and implementing strategic changes and also changes at operational and functional level, companies will be able to react to changes in the business environment and will be able to gain a competitive advantage.

### 3. CONCLUSIONS

The present article underlines the necessity of avoiding the short-sightedness of marketing in the context of major mutations happening in the business world. Thus, through the examples presented in the article, it is relevant that the introduction of economic innovations in a complex community, such as the market, succeeds only if and when the community can also culturally adapt to it, meaning that only if innovations are accepted and understood from a social standpoint. We present a relevant example for civilization marketing and two relevant examples for changes at operational and functional level, namely for the voluntary endeavour of organising sales and communication strategies, whose objective is to make known and endorse among potential buyers the distinctive qualities of products offered by a company on its relevant market.

### REFERENCES

- Alexandru, A., Ianculescu, M., Tudora, E., Bica, O. (Dec., 2013). ICT Challenges and Issues in Climate Change Education, *Studies in Informatics and Control*, Vol. 22, Issue 4.
- Bruhn, M. (2001). *Orientarea spre clienți. Temelia afacerii de succes*, București, Editura Economică.
- Ceptureanu, E., G., Ceptureanu, S., I., Orzan, M., C., Bordean, O., N., Rădulescu, V. (2017). Empirical Study on Sustainable Opportunities Recognition. A Polyvinyl Chloride (PVC) Joinery Industry Analysis Using Augmented Sustainable Development Process Model, *Sustainability*, 9 (10), 1779.
- Ceptureanu, E., G., Ceptureanu, S., I., Popescu, D., I., Vlad, L., V. (2017). Two Stage Analysis of Successful Change Implementation of Knowledge Management Strategies in Energy Companies from Romania, *Energies*, 10 (12), 1965.
- Lendrevie, J., Lindon, D. (1997). *Mercator. Théorie et pratique du marketing*, 5e edition, Paris, Éditions Dalloz.
- Matricon, C. (1993). *Le Système Marketing*, Paris, Editura Dunod.
- McDonald, M. (1998). *Marketing strategic*, București, Editura Codecs.
- Popa, I., Popescu, D., I. (2013). The importance of innovative clusters' proliferation for sustainable economic growth of Romania, *7th International Management Conference – New Management for the New Economy*, Bucharest, Romania, November, 07-08.
- Popescu, D., I. (2009). Competitive advantage assuring within clothing manufacture companies in Romania, *Industria Textila*, Vol. 60, Issue 3.
- Popescu, D., I. (2012). Economic recovery strategies for an innovative Romanian industrial sector , *6<sup>th</sup> International Management Conference on Approaches in Organisational Management*, Bucharest, Romania, Nov. 15-16.
- Popescu, D., I. (2013). Green fashion – a new possible lifestyle for Romanians, *Industria Textilă*, Vol. 64, Issue 1.
- Popescu, D., I. (2013). The correspondence between workforce skills and company needs, *Industria Textila*, Vol. 64, Issue 3.
- Popescu, D., I. (2018). Social responsibility and business ethics VII. Circular economy and the role of corporate social marketing, *Quality Access to Success*, Vol. 19, No. 163 – April.

- Popescu, D., I., Popa, I., Ștefan, S., C., Vlăsceanu, C. (2016). Innovative Business Models and Responsible Consumption – Case Study, *28th International-Business-Information-Management-Association Conference*, Vision 2020: Innovation Management, Development Sustainability, and Competitive Economic Growth, Seville, Spain, November 09-10.
- Popescu, D., I., Popa, I., Ștefan, S., C., Vlăsceanu, C. (2016). Innovative Business Models and Responsible Consumption – Case Study, *28th International-Business-Information-Management-Association Conference*, Vision 2020: Innovation Management, Development Sustainability, and Competitive Economic Growth, Seville, Spain, November 09-10.
- Popescu, D., I., Popa, I., Ștefan, S., C., Vlăsceanu, C. (2016). Innovative Business Models and Responsible Consumption – Case Study, *28th IBIMA Conference*, Vision 2020: Innovation Management, Development Sustainability, and Competitive Economic Growth, Seville, Spain, 9 – 10 November, ISBN 978-0-9860419-8-3.
- Ristea, A., L., Ioan-Franc, V. (2010). *Marketing strategic*, Bucuresti, Editura Expert.
- Thomas, J., M. (1998). *Manuel de marketing*, București, Editura Codecs.
- Turp- Balzs, A. (2018). Salvarea vine sabotând Black Friday, *Dialog Textil*, Nr. 1.
- Turp- Balzs, A. (2018). Amazon Go- un nou model de a face shopping, *Dialog Textil*, Nr. 2.
- Turp-Balazs, A. (2017). Parfumul și moda- un marial cu șanse 100%, *Dialog Textil*, Nr. 5.