Developing client-centred marketing programmes in a fragile external environment

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Abstract: The background to this research was global economic instability, the impact of the pandemic and sanctions policies, which have had a negative impact on Russian trading companies. These facts make it necessary to reconsider strategic decisions with regard to adapting marketing planning in a turbulent external environment. The main purpose of this article is to improve approaches to the formation and implementation of customer-centric marketing programmes of a trade organization. Based on analytical research methods, an adaptive approach to developing a consumer-oriented marketing programme is proposed, taking into account external market opportunities and constraints. Identifies the external environment in which the trade organization operates, which external factors influence it and which of the company's marketing decisions are driven by environmental challenges and risks. The method of grouping marketing activities within a client-centred marketing programme was used. The presented approach to the formation of a customer-centric marketing programme of a trading company solves the issues of timely adaptation to changing market requirements while actively influencing the target consumer within the framework of creating an effective marketing management framework.

Keywords: marketing planning, marketing programme, customer centric approach, marketing management, trade organization.

1. Introduction

In the current economic climate, including high levels of competition, rapid advances in new technology, political instability and the emergence of threats of all kinds, retailers must constantly adapt their marketing strategy in general, and the development of marketing programmes in particular [1,2].

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In the market practice of companies, there is a wide range of marketing strategies to achieve a competitive advantage for the business through [3-6]:

1) High quality goods or services produced.
2) A high level of service and continuous improvement.
3) Low price policy.
4) A solid share of the market.
5) Rapidly adapting to a constantly changing business environment.
6) Continuous improvement of their own products.
7) Development and implementation of innovations.
8) Rapidly penetrating and gaining a foothold in emerging markets.
9) Exceeding the expectations of their own target audience.

Various tools, techniques and strategies are described in the scientific and practical literature on marketing in order to effectively organise marketing in the enterprise [7-11]. However, there is no single factor that is guaranteed to lead to success in the marketplace. It is therefore crucial to consider the multifaceted nature of marketing when designing a performance improvement strategy.

The customer-oriented marketing management system is a complex structure consisting of multiple different elements. All elements are closely linked, which ultimately affects the effectiveness of marketing management in a customer-centric company.

When making management decisions, shaping long-term and short-term strategies, defining the vector of development and shaping a customer-centric approach, marketing plays a primary role as a basis. The management of marketing itself is a complex process which is based on the development of marketing decisions, the development of marketing measures and programmes and their implementation [12-16]. At this stage, we consider it necessary to design an adaptive approach that relates the development of a customer-centric marketing programme of the respective trade organisation to various trends, external market opportunities and risks.

2. Materials and Methods

We present the methodological framework for assessing the external market environment using data from Hoff, a Russian furniture and household goods hypermarket retail chain. The business has an extensive network of retail stores across Russia.

In order to create a marketing strategy for the Hoff retail chain, it was determined in which external environment the organisation operates, which factors influence it and which marketing decisions the company makes are driven by environmental challenges and risks.

A quick scan of the external environment technique was used to assess the interrelationship and mutual influence of the selected factors. In addition to political, social, economic and technological factors, trade organisation can also be directly affected by natural and technological factors.

Five factors were used for the analysis:
1. Price increases from suppliers of goods/services;
2. Decreased purchasing power;
3. Increased interest in online shopping;
4. Changing the current culture of consumption through the use of innovative retail and marketing technologies;
5. The occurrence of unforeseen situations that interfere with normal trading activities.

The evaluation in the analysis is done as a point scale from 0 to 5, where 0-no relationship, 5-maximum relationship. A minus will indicate a negative impact, a plus will indicate a positive impact (Table 1).
However, there is no single factor that is guaranteed to lead to success in the marketplace. It is therefore crucial to consider the multifaceted nature of marketing when making a purchase or when they buy certain products. This entails the introduction of new operating rules to the current loyalty programme, as well as an increase in product categories for increased bonuses in the form of 10% of the value of the cross-pair.

Table 1. Analysis matrix QUEST

<table>
<thead>
<tr>
<th>Factors/Probability</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X</td>
<td>-4</td>
<td>0</td>
<td>0</td>
<td>-3</td>
</tr>
<tr>
<td>2</td>
<td>-4</td>
<td>X</td>
<td>+2</td>
<td>0</td>
<td>-4</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>+2</td>
<td>X</td>
<td>+1</td>
<td>+5</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>0</td>
<td>+1</td>
<td>X</td>
<td>+2</td>
</tr>
<tr>
<td>5</td>
<td>-3</td>
<td>-4</td>
<td>+5</td>
<td>+2</td>
<td>X</td>
</tr>
</tbody>
</table>

Based on the data in Table 1, there is a close relationship between the factors. Due to unforeseen circumstances (pandemics and withdrawal of foreign firms due to the political situation), the usual pattern of production and sale of goods has been disrupted (Factor 5).

Trade enterprises were forced either to stop their usual activities or to make significant adjustments to their business operations: the purchase of personal protective equipment for employees, the observance of social distance, as well as the termination of some traditional suppliers of raw materials led to additional costs and, together with a decline in sales turnover, to losses. In order to cover the losses, suppliers began to raise the prices of their products (Factor 1).

At the same time, the decline in trade turnover due to self-isolation has forced many businesses to further optimise costs, leading to massive staff reductions. This has left many people without a source of income, or with a drastic reduction in income due to self-isolation, which has ultimately reduced their purchasing power (Factor 2).

With isolation, closures and declining incomes, needs have gone nowhere and this has led to a search for alternative ways of buying and selling. This is what online shopping has become, which, given the almost contactless nature of buying and selling and the largely lower prices than offline, online shopping has become very popular (Factor 3).

Each of the above factors needs to be taken into account when building a customer-centred marketing programme, which is why it is important to understand how to enhance the positive effects of a factor and minimise the negative effects. For this purpose, it makes sense to create a programme of action when each positive and negative factor appears.

3. Results

Marketing activities within the framework of developing a customer-centric marketing programme for the Hoff hypermarket retail chain have been grouped according to the following general characteristics. By grouping the activities in this way, a clearer and more detailed implementation plan could be formed and, more importantly, the process could be made more adaptive.

The first group, «Extra Bonuses», offers additional bonuses to customers without making a purchase or when they buy certain products. This entails the introduction of new operating rules to the current loyalty programme, as well as an increase in product categories for increased bonuses in the form of 10% of the value of the cross-pair.

The second group is «Working with software». This involves working with software to support the trading activities of an enterprise. Recommendations from this group involve...
improving the technical aspects of the website and mobile application software, as well as making adjustments to running programmes.

The third group «Advertising». It is aimed at creating new principles for the advertising activities of the company. It is based on the principle of personalisation and a focus on the individual consumer.

The fourth group is «Promoting sales during periods of low sales activity». This is aimed at developing and implementing new types of promotional offers during periods of low sales activity or low seasonality in order to increase customer interest in the marketing offers of the firm.

The «Promoting sales during periods of low sales activity» group of activities is intended to be carried out only during the low shopping season, which falls in the months of April to June. The groups «additional bonuses», «working with software», and «advertising» involve implementation without clear time limits. The reason for doing this is that they aim to improve the marketing elements of the retail chain with a continuum, since both advertising, the rewards programme and the software are relevant to the firm at all times.

The next step is to develop an implementation programme for each of the activities, including:
- a checklist for pre-event preparation;
- the sequencing of action for its successful implementation;
- an assessment of the effectiveness at the end of each of the recommendations developed;
- whether the activity should be continued, based on an assessment regarding efficiency.

A method of hierarchy analysis was used to evaluate all groups of marketing activities of the programme [17,18].

The groups directly affecting the marketing of the firm were the main targets of the analysis. The «Software operation» group is not included in the list above, as implementation of activities from it is mandatory. The reason for this is that promotions, discounts, bonuses and other marketing activities are not permanent and change their form and content frequently. While software is a permanent element in the functioning of an enterprise's marketing and keeping it running correctly is a crucial task at all times.

In the inception phase, the main criteria and alternatives were formed. The basic criteria are presented in Table 2:

- K1 – the relevance of the development group to the state of the environment;
- K2 – the development unit is in line with the potential and capacity of the enterprise;
- K3 – the acceptability of the risk inherent in the development group.

The main alternatives include the following:
- C1 – activities from the "Extra Bonus" group;
- C2 – activities from the "publicity" group;
- C3 – Activities from the group "Promoting sales during periods of low sales activity.

Table 2. Criteria prioritisation matrix and calculation of criterion weights

<table>
<thead>
<tr>
<th>Criteria</th>
<th>K1</th>
<th>K2</th>
<th>K3</th>
<th>( \lambda_i )</th>
<th>( W_i )</th>
</tr>
</thead>
<tbody>
<tr>
<td>K1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.26</td>
<td>0.39</td>
</tr>
<tr>
<td>K2</td>
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<td>1</td>
<td>3</td>
<td>1.44</td>
<td>0.44</td>
</tr>
<tr>
<td>K3</td>
<td>½</td>
<td>1/3</td>
<td>1</td>
<td>0.55</td>
<td>0.17</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
<td>1.00</td>
</tr>
</tbody>
</table>
Based on the data in Table 2, the relevance of the development strategy to the potential and capacity of the enterprise is, in the experts’ opinion, the most important criterion. The local priority values of the alternatives are shown in Tables 3 to 5.

**Table 3.** Local priorities of alternatives in relation to criterion K1

<table>
<thead>
<tr>
<th></th>
<th>K1</th>
<th></th>
<th></th>
<th></th>
<th>Local weighting factors ( W_i )</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>2.41</td>
<td>0.62</td>
</tr>
<tr>
<td>C3</td>
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<td>1/3</td>
<td>0.36</td>
<td>0.09</td>
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<tr>
<td>Amount</td>
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<td>11</td>
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<td>3.92</td>
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**Table 4.** Local priorities of alternatives in relation to criterion K2

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th>Local weighting factors ( W_i )</th>
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<tbody>
<tr>
<td>C1</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2</td>
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<td>7</td>
<td>1</td>
<td>1.91</td>
<td>0.51</td>
</tr>
<tr>
<td>C3</td>
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<td>1/3</td>
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<tr>
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<td>2.33</td>
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</table>

**Table 5.** Local priorities of alternatives in relation to criterion K3

<table>
<thead>
<tr>
<th></th>
<th>K3</th>
<th></th>
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<th></th>
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<tr>
<td>C1</td>
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<td>1/4</td>
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<tr>
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<td>3.25</td>
<td>4.00</td>
<td>1.00</td>
</tr>
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</table>

The global priorities of the alternatives (Table 6) are derived from the values of the criteria weights (Table 2) and the local weights of the alternatives (Tables 3-5).

**Table 6.** Calculation of global priorities for alternatives
Based on the data in Table 6, it was concluded that the highest global priority was given to solution C1, followed by C3, with C2 at the end.

This means that for the Hoff hypermarket retail chain, it would be most promising to implement activities from the «Extra Bonus» group. Activities from the "sales promotion during periods of low sales activity" group come in second place, followed by those from the "advertising" group. This means that once the most promising group is implemented, with sufficient resources, sales promotion can be implemented, and then new activities from the "Advertising" group can be introduced into the current promotional activities. And together with the consistent implementation of all three groups, continuous improvement of the functioning of the software for marketing activities must take place in parallel, i.e. activities from the "Software Work" group must be implemented.

4. Discussion

The customer-centred approach in a trade organisation when developing marketing programmes aims to:

- obtaining and analysing up-to-date information on the market situation, market structure, competitors, consumer expectations and preferences;
- developing a product range capable of meeting the needs of consumers to the maximum extent possible;
- creating new products that can compete effectively on the market and qualitatively satisfy customer needs;
- sales promotion to enable a smooth sales process;
- building a loyal customer base;
- monitoring the implementation of the marketing strategy in the business enterprise.

Developing a marketing strategy is a multifaceted process. Every element of event shaping is a full examination of certain aspects of the firm's marketing and how to improve it. The process of establishing a customer-centred marketing programme in an enterprise takes place in stages:

1. Rapid marketing analysis and identification of growth points.
2. Creating marketing targets for growth points.
3. Analysis of the current position at each growth point.
4. Shaping efficiency measures for growth points.
5. Assessing the economic benefit of each activity and choosing the most beneficial one.
6. Creation of an implementation plan for the most profitable efficiency measures.
7. Implementing the most effective activities and monitoring the implementation.
8. Marketing activities summing up the results of implementation.

Marketing, as an important element of a firm's strategic management, focuses on the target consumer and balancing supply and demand.
5. Conclusions

Traders use a variety of analytical approaches in shaping and implementing customer-centric marketing programmes. It is crucial for marketing management in an enterprise, as it allows you to assess and reveal important information about competitors, current markets and potential markets, sales channels, target consumers, the behavioural motivations of the target audience, and customer perceptions of products. Each approach has its own characteristics and specifics of implementation, but they are all aimed at creating an effective marketing management system in the organisation.

References


