

MARKETING AND GLOBAL CRISIS

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Abstract: The period that humanity is now going through is a specific one, the crisis is global. Humanity has passed before through crises of different natures, with different causes and of different sizes, but the present global crisis has many particularities.

1. INTRODUCTION

The period that humanity is now going through is a certainly a period of crisis. The current crisis started in early 2007 in the United States, her debut as the financial crisis that broke out amid real estate speculation. At that moment everything seemed to be more American financial problem. This is because increasingly more customers in the United States has not paid the mortgage loans have high risk, which causes the first bankruptcy of some specialized banks. But things have evolved in ways which then were not taken into account as forecast, with dramatic and often even to people, businesses, communities, etc.

Therefore, it is certain: the period that humanity is now going through is a specific and unique one in its evolution – it is a global crisis. The global aspect is shown by the crisis being reflected through at least three perspectives:

–Territorial - affecting all countries around the world, the crisis propagating at global level; extending to this level was a consequence of globalization, but also a result of increasing the overall level of technology;

– The affected areas - the financial crisis has triggered an economic crisis; human resources have been affected and so a social crisis occurred, political crisis propagated to military level, a food crisis is becoming stronger; and an energy crisis occurs, there is also an oil crisis, a water crisis, and a strong environmental crisis; following the development of the above listed crisis types, it shows that all were marked by moments or even periods of turbulence;

– Depth – whatever its nature, any crisis has a global impact, propagating to the microeconomic level, but perhaps the most significant influence is at individual level, every inhabitant of this planet feeling in one way or another the effects of the global crisis.

2. THE GLOBAL CRISIS ON CONSUMERS AND INFLUENTIAL INDIVIDUAL AND ORGANIZATIONAL

Financial and economic crisis has modified, environmental variables, were those that were strongly and directly influenced consumers, regardless of their type. Currency fluctuations, restricting lending opportunities, drastically reducing revenues, rising unemployment and price increases, etc. are environmental factors affecting individual and organizational consumers forcing them to change consumer behavior and purchasing

Thus, individual consumers are living under the pressure of a state of general insecurity which leads to a greater caution in personal actions, both those related to career, job, etc.. And the actions that relate to consumer needs and providing coverage consumer. As a result, consumers become more sober, a real manager of his needs and financial resources available.

The results of research conducted by specialized firms have highlighted the family orientation towards greater consumption cheap food, DIY products and cosmetics, but some apparel, footwear and electronics. Also exhibit behavioral changes that are reflected by: savings on daily food basket (both value and quantity), changing priorities of the types of acquisitions, exploitation promotions deeper, stronger evidence of the process of searching for information (the purchase stage of decision-making system), leisure and reorganization of the party; changing, etc.

The existing budget is geared towards covering the costs of maintaining current housing, to food consumption, for any life insurance(It was found that in periods of crisis, individuals prefer to restrict the other expenses for maintaining life insurance) to cover other liabilities. If the budget does not cover these types of expenditure seek ways of supplementing the budget or restrict food expenditure. Regarding priorities for acquisition, giving a range of products or reduce the frequency of purchasing clothing, shoes or appliances..

In terms of organizational customers, in addition to those listed above pressures facing the phenomenon of drastic reduction in demand which is largely the result of just acquisition and modification of behavior of individual consumer. Also, companies are under the influence of reducing the creditworthiness of the partner firms. and if the consumer was the primary organizational effect of reducing revenue.

Driven by the need to maintain the market, they have adapted to new conditions and have changed their behavior also. Thus, firms reactions may include: strict monitoring of receipts and payments, a greater flexibility of planning embodied in the development of multiple scenarios on the business plan and annual budget to be reviewed depending on progress quarterly earnings and sales, and careful monitoring of changes occurring in consumer behavior and their customers, reduce and optimize inventory, increase employee performance, more aggressive promotion in.

Regarding the behavior of nonprofits that has changed in the following areas: cost optimization, planning and more stringent control of activity ,a stronger and more accessible communications with their customers, better promotion, training and permanent employees skilled loyalty, a larger volunteer orientation, stimulation of pooling, etc.

Watching how individuals and organizations adapt to the effects of global crisis shows that many of these are measures which in the sphere of maketing.

3. MARKETING AND GLOBAL CRISIS

Every individual on this planet is in a consumer, but not necessarily in the client. But at the same time, consumers are marketing center of the universe, modern marketing with the assumption that any economic or non-economic activity is efficiently directed towards satisfying the needs or desires of actual or potential consumers.

Watching the things from this perspective, one can consider that the global crisis, regardless of shape, expansion and reflects its depth and regarded as the marketing philosophy as a science, as art or as part of the organizational structure of firms, changing concepts, forms, tools, etc

A good illustration of this is even the emergence of the concept of „marketing a crisis”;or”recession marketing” It basically refers to how the organizations would be would be to tailor responses to environmental factors with significant changes given the crisis. The first measure of self that is taking companies to reduce costs.

The easiest way to do this is to reduce costs rapidly falling profits. For this reason wrongly most often are reduced marketing expenses, which is one of the serious mistakes

that can have a disastrous effect on the company. Marketing crisis is proposing alternatives.

Implement a marketing crisis proposes an analysis of the promotional mix, of the distribution, target markets, consumers and geographic mix in order to determine which activities and costs can be reduced without risk. It assumes that any company engaged in the promotion, distribution, market segments, customers or geographic areas that do not produce income or make low profits. In essence, the crisis has positive aspects which one is found precisely in the elimination of all corporate activity is inefficient and unduly consume resources.

To see how it behaves in marketing during the crisis should be pursued key marketing tools that they use. Thus, the basic pillar on which the system consists of marketinkul called the 4P marketing mix: product, promotion, price and placement (distribution).

Product

The cornerstone of the marketing mix and in this regard can be considered the most exposed part of the marketing firm in the crisis. The first reaction of firms would be:

- to reduce product costs;
- through the replacement of raw materials, subassemblies, etc..
- with more flights by non-technological processes
- by using cheaper labor and less training,
- etc.

Companies who use this option seriously wrong because the long term effects will have significant adverse effects and difficult to predict, even if short-term financial impact will be positive.

Some of the alternative options that marketing is proposing for firms to protect their product portfolio are:

- creation and marketing of a of secondary products range, cheaper, so that the basic products maintain quality and provide to the consumer the value it expects, value which he was used to;
- taking measures which do not affect the promised value of its brand; the brand becomes the organizational concept around which all activities of the company are carried out;
- improving the products in the portfolio through the association of related services without a corresponding increase in prices, at the same time increasing the quality of such services in an attempt to get closer and, even more, to retain existing customers;
- create customized products or groups of customers where possible;
- more thorough study of consumer and its behaviour going, in situations where this is possible, even to customizing products;
- concerns the extension of the organizations to the global problems of mankind, which includes an orientation human with ecomarketing principles in creating new and modifying existing products;
- etc;

Promotion

The promotion policy of organizations has also adapted to the constraints of crisis. The chosen ways of promotion are based on better communication with customers, going to the widest possible approach to direct contact with them. Thus, some appropriate measures in such a period are:

- orientating the promotion to attract customer attention by means such as brand association with important personalities of the time and area;

- keeping the product in TV broadcasts of the talk shows type, for example, whose subjects have no connection with the product;
- wider use of BTL (Below The Line) type advertising actions more than the ATL (Above The Line) type; BTL media advertising refers to “unconventional” communication means, more inspired and original; it is in general events organising;
- orientation promotional campaigns to attract customers and their loyalty by creating a strong brand image, offer a separate competition;
- development of complex online campaigns, with relatively low costs;
- broader recovery through use of direct marketing letters, flyers or door hangers, for example;
- by better analysing consumer needs and desires, a more accurate delineation of the target segment (which may consist of a single individual, leading to customised offer), firms may use more penetrating types of advertising, such as, for example, aspirations advertising; the use of this type of advertising is based on the idea that it is not enough to illustrate a single component of the product, similar to one of the target audience - people want to see something that fully represents them.

Price

În terms of pricing firms, financial and economic crisis is limiting the revenue available and therefore price is the element which became the first element analysis to purchase a product.

For this reason, companies must focus their pricing policy in the following areas:

- Maintaining or even reducing product prices;
- Avoid price changes for the use of promotional sales;
- Approaching the consumers more carefully, through their involvement in setting the price; this is possible by creating specialized sites through which customers have the possibility to compare prices and propose a price level which they consider fair;
- In business-to-business type of activities, creating a closer communication enabling customers to reduce costs, but not by reducing prices, but by finding better ways to use the products.

Placement (distribution)

Some alternatives proposed by the crisis marketing for the placement politicy of companies are the following:

- choosing a distribution channel to allow the firm a direct contact with customers;
- keeping traditional selling system and supplementing it with the online marketing system through the Internet;
- system expansion and modernization of existing stores for retailers, increased trends toward modern design, functional and attractive as retail space, providing specialist advice and professional shops;
- stimulating with additional discounts the retailers offering services associated to the delivered products.

The main idea that should guide the entire marketing activity of the organization is getting as close as possible to the consumer and ensure its loyalty. This requires continuous monitoring of clients and as diverse as possible targets. At the same time, it is vital to have a good communication with target customers through traditional forms of

communication, but also through the expansion and strengthening of electronic, virtual communication.

At the same time, for any business is essential in times of crisis, applying a correct segmentation of the markets they target.

This ensures efficient and effective direction and only have a potential market segments and align the capabilities and objectives of the organization.

Also, by positioning a firm offer occupies a clear position, exclusive consumer memory.

This facilitates both the storage of information relating to that offer, as well as the recovery of their memory. For this reason, and positioning the company brand and products should be done in conjunction with market realities and the possibilities of the firm in which they go through difficult periods.

4. CONCLUSIONS

Any crisis, not only economic or financial crises type are times of major change, for renewal because it draws attention limits, the constraints underestimated or not accounted for, the errors of design or individual or organizational behavior.

Eventually, the crisis in its essence is an adaptation to constantly changing variables that are in the new face of normalcy gradually.

Albert Einstein said "... Blessed is the crisis situation that may occur for countries and people because it brings progress. ... Creativity is born out of necessity as well as night and day is born."

This is really ,the essence, of things in terms of marketing in times of crisis. Key to resolving all issues in creativity is used in the process of adapting to new conditions. The essence of this adaptation is the marketing people by professionalism, creativity or innovation, vision and responsiveness to find ways to reach consumers, to be closer to him (in what they offer in what form, how time, etc.). and win loyalty. But more than ever organizations must use marketing creative professionals only professionals but who knows how to mobilize all available resources to turn to consumers by means which provide the theory and practice of marketing or innovating in this area .

Also, to maintain a position on the market, any organization should recognize that, in times of crisis, the following things are important: consolidating the brand and keeping the value promises that it developed in time, increasing the benefits that the product brings to the customers, while maintaining the price level and, not least, using a more aggressive marketing focused on keeping the clients out of the competition are.

Therefore, marketing, through the tools it uses, perfectly adapted itself to the conditions imposed by the global crisis. The specific creativity and flexibility are elements that have enabled it to adapt to any constraints.

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