

MARKETING MANAGEMENT – A LUXURY FOR MACEDONIAN COMPANIES

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Abstract

The aim of this paper is to specify marketing management, to emphasize its significance and to emphasize its adequate application as a way to survive in a market, competitive environment. In this context, the paper makes an attempt to detect the presence, or rather the absence, of marketing management in Macedonian enterprises, to link it to the objective and subjective factors that determine it in the reality of the Republic of Macedonia, i.e. that characterize it as something that cannot be done without in the management of Macedonian soil. Hence the recommendations for reversibility in this direction. Marketing or market-making — finds the widest treatment in economic literature as a business policy of the enterprise, but not as a classical system, but as a special type of business policy. Traditionally, "marketing" is a term that "sticks" to the process of connecting producers (or potential producers) of a product or service with consumers - both existing and potential. Marketing methods have their roots in the social sciences, especially psychology, sociology and economics. Through advertising, marketing is also associated with the creative arts.

Keywords: marketing management, phases of marketing management, marketing management in the Republic of Macedonia, subjective and objective determination of marketing management.

JEL classification. M31, M30, M39

INTRODUCTION

Modern market-oriented enterprises operate under the umbrella of marketing management. There are various definitions of marketing management - broader and narrower, concrete and abstract, functionalist and structuralist..., however, for all them the common approach is that marketing management is a process of managing marketing activities within the framework of the enterprise, and in the function of maximally satisfying consumer demands on the one hand, but also maximizing profit on the other hand. The simultaneity in realizing these two goals for competitive conditions is a priori understood. Understood as a process, marketing management relies on phases, known in theory as its functions, namely: planning of marketing activities, organizing marketing activities, articulating marketing activities in other activities of the enterprise and, finally, controlling marketing activities. Planning as a phase of marketing management determines the objectives of marketing activities, as well as the strategy for their implementation, but in synchronization with the general plan of the enterprise, i.e. in harmony with the other partial plans at the level of the enterprise. Once formulated, the plan is not final. It is subject to changes that occur over time, depending on changes in the narrower or wider environment. Organizing, the second phase of marketing management, follows immediately after planning and refers to the definition and formation of such an organization of the marketing activity itself that will ensure the realization of the set goals and objectives foreseen by the plan.

1. MARKETING BASED ON IMPROVISATION IS FATAL FOR BUSINESSES

The theory suggests a wide range of types of organization of marketing activities. These include functional (by functions), production (by products), consumer (by consumers), market (by markets), and even combined forms of marketing organization.¹ No matter how one proceeds, the correlation between the organization of marketing and the achievement of the set marketing goals is indisputable. Marketing organization de facto animates, i.e. puts into operation, all marketing activities, defined as goals, tasks, and actions²⁴⁹. On the other hand, the marketing organization as a dynamic, not a static system, should be flexible, i.e. sufficiently adaptable to all changes that occur in the environment (narrower or wider), and which affect the demand, the earning power of buyers, competition, legal regulations, production costs, the system of needs, etc. Hence, the theoretical and practical finding that the organizational establishment of marketing in every company suffers both short-term and long-term changes, i.e. influences. The articulation of marketing activities in all other activities of the company is the third phase of marketing management, which emphasizes the creation of a true marketing atmosphere in the company as a whole, stimulating all business segments to turn towards buyers, i.e. to pulsate according to market demands. In this way, marketing behavior is ingrained in everyone.

They are most widely used, i.e. companies more often apply in practice combined, rather than individual, forms of organization.²⁵⁰ The control of marketing activities, i.e. the fourth phase of marketing management, ultimately compares the realized with the planned marketing activities. With it, in fact, the planning is permanently and continuously checked, evaluated and, if necessary, corrected. The theory points to the need for control to be clearly defined by person, place and time, because only in this way will the ultimately desired goal be reached – the long-term prosperity of the entire enterprise.

²⁴⁹ Baker, M. (2019) Marketing Management and Strategy, 3rd edition, Macmillan Business, p. 122

²⁵⁰ Kapferer, J. (2017) Strategic Brand Management, Kogan Page, p. 89

To what extent do Macedonian companies practice marketing management, i.e. the phases through which it is realized? The total absence of any information and documentation base, i.e. the absence of relevant data from one and the unsuccessful attempts to conduct a survey among companies in the Republic of Macedonia, which would offer objective, unbiased findings on this issue. On the other hand, the main reasons for the question posed were that we try to give an answer only based on the observation method and the long-term accumulated knowledge and experience regarding marketing topics.²⁵¹ Of course, we do not neglect the logical, i.e. cause-and-effect method in this procedure.

At the enterprise level in the Republic of Macedonia, the finding crystallizes that little or no planning is done, i.e. there is no planning for the activity of the enterprise in general, and hence for the activity of marketing management in particular. In other words, Macedonian enterprises do not really plan or, more specifically, improvise strategies, i.e. they practice formal planning that is more a product of desires than of real possibilities.²⁵² Hence, the unrealizability and non-objectivity of such declarative planning. If we do not overlook the theoretical fact that planning requires a relatively stable environment, i.e. relatively certain conditions for behavior, then this situation regarding planning cannot be surprising. The crisis tendencies, both in the narrower and wider environment, the illiquidity and insolvency of Macedonian enterprises, uncertain orders, discontinuity in production due to the lack of raw materials, intermediate goods and energy, problems with employees and their salaries, difficult export/import, the reduced number of markets, etc. are objective problems that burden the management of enterprises in the Republic of Macedonia and demotivate their employees. In conditions when managers are preoccupied with current, operational problems, and employees fear for their position and salary, there is neither motive, nor funds, nor time to build a future vision for the prosperity of the enterprise. In the end, this is precisely why planning is "short-lived" and is substituted with a short-term forecast "from today to tomorrow" with various tactics from the model for the enterprise to survive.

It does not take much analytical sense to conclude that such "planning" is far from the scientific requirements for a true strategy for business success. The collapsed planning at the enterprise level, according to the system of "tied vessels", provokes a collapse in partial plans, including that of marketing management. If we generalize, then the first phase of marketing management - planning of marketing activities in enterprises in the Republic of Macedonia can be linked much more to the negative influence of objective factors than to subjective ones. Invalidated planning is also in correspondence with the inadequate organization of marketing activities. In principle, adequate marketing organization requires the existence of a separate (special) department (sector, service) for marketing. Through the prism of the organization of marketing in the Republic of Macedonia, a real variety is present. There are companies that are still sales-oriented, i.e. have not accepted the marketing concept and which, from an organizational point of view, have retained the classic, traditional, commercial sector. This includes small and even some medium-sized enterprises, where the management function overlaps with that of ownership. On the other hand, there are also companies that have not truly understood the role of marketing, and therefore carry out sporadic marketing activities through other departments, i.e. they have delegated these activities to other departments (planning and analysis department, commercial affairs department, distribution department, general and legal affairs department, etc.).

²⁵¹ There is no flow of ideas, suggestions, collaboration, advice, instructions, neither horizontally, nor vertically, nor diagonally.

²⁵² Macedonian enterprises have problems with production, and marketing-oriented enterprises are enterprises where the problems of placement come to the fore, i.e. where the problems with production are eliminated.

The vast majority of medium-sized enterprises in Macedonian conditions function in this way, i.e. in the absence of a marketing sector, department, department, or more specifically.²⁵³

Marketing department is part of some other department that does not even have any connection with marketing and the activities it requires. Among the medium-sized enterprises in the Republic of Macedonia, there are also those that declare themselves to be marketing-oriented enterprises, but do not formally have an accepted marketing organization. In them, the marketing departments are named as sales departments, placement departments, commercial departments, etc. Finally, a small number of enterprises stand on the positions of the marketing concept, and have constituted a real marketing organization. They have separate marketing departments whose main task is to carry out marketing activities. Such an organizational structure is used by large Macedonian enterprises, and among them the largest number is those that, through acquisition, found themselves in the hands of foreign owners and, mainly, operate in service activities. However, in some and in some enterprises the internal organization of the marketing sector, i.e. The activities surrounding the formation of the so-called marketing mix² are not compact, but rather dispersed, so pricing is carried out in the accounting department, market research in the commercial department, propaganda in the sales department, and product planning in the production department.

The requirements of the theory in this context are decisive, i.e. if a marketing department, service or department has already been constituted, all marketing activities must be within their competence. On the other hand, some of these companies include procurement in the activities of their marketing department, which is theoretically impermissible, except in cases where there are mutual, tied purchase and sale transactions. In all other cases, and especially if it is a large enterprise, procurement should be the responsibility of a separate procurement department, sector or service. Otherwise, regardless of the completed classification of Macedonian enterprises according to marketing organization, if we generalize, then in all of them it is a question of the so-called centralized type of marketing organization, which theory notes, and practice verifies acceptability, only when it comes to placing on the same markets, for the same buyers and through the same distribution channels.

On the contrary, when it comes to offering to different buyers, in different markets, through different distribution channels, the so-called decentralized type of marketing organization is more efficient. Taking this into account, the second type would suit Macedonian enterprises better. All in all, and from an organizational point of view, Macedonian enterprises as contenders for marketing orientation can be attributed to many remarks.

The reasons for this, apart from the objective factors, which we have already discussed, can be located much more among the subjective ones, i.e. in the neglect of theoretical recommendations, and in particular the marketing organization by the management teams in the Republic of Macedonia. Formal planning and inadequate organization of marketing activities do not remain without reflection on the possibility of articulating marketing thinking and action in Macedonian enterprises as a whole, that is, in the parts that form that whole.²⁵⁴

²⁵³ Booms, B.H. and Bitner, M.J. (2018), Marketing strategies and organisation structures for service firms, in Marketing of Services, J. Donnelly and W.R. George (eds), American Marketing Association, p.256

²⁵⁴ To make the irony even greater, in the pre-transition period we had much more marketing than today.

Theoretical findings from this aspect also underline that the marketing interaction between all sectors in the company, between all employees, between all management levels is the key to true marketing establishment on the market. The unification through the prism of marketing behavior among all entities of the company acts as a connective tissue, directing them in the same direction, i.e. towards respecting market demands as the main goal, an axiom of every marketing.²⁵⁵

The marketing mix is composed of the interaction of the so-called 4P (Product, Price, Place, Promotion) – product, price, distribution, promotion. Dispersion from this aspect is very harmful, because in this way it is difficult to find the optimal combination of the so-called 4R marketing tools, and it is one of the postulates for a successful marketing operation.²⁵⁶

Respectively, this will be a game with many winners, in which no one loses, neither employees, nor managers, nor the company as a whole, and the results will be – satisfied customers, a good position on the market and long-term profit. We cannot get rid of the impression that in this field things are the worst in Macedonian companies.

First of all, due to the fact that in companies in the Republic of Macedonia the type of centralized management (management) is noticeable, the main characteristic of which is the concentration of decision-making power in top management. Thus, the connection at the inter-managerial and inter-sectoral levels is interrupted. Cooperation between managers, between employees, and consequently between sectors, as well as the relationship between managers and employees is not represented.²⁵⁷ Thus, companies as a whole are not integrated around the main goal – monitoring market demands, harmonizing activities according to those demands, and in the direction of maximum consumer satisfaction and maximum profit realization, not only in the short term, but above all in the long term. Instead, the opposite happens. Continuous market research does not exist, competition is only partially monitored, consumers remain unidentified, what is available is offered, not what is required, quality is declining, and there are no new products... Hence the negative financial results of Macedonian companies, their inactivity and passivity, static growth and development, marginalization of marketing activities, or in a word, inadaptability to the changes occurring in the environment (narrower and wider). If we summarize, then the reasons for the low articulation of marketing understanding throughout the bloodstream of the entire enterprise in Macedonian conditions would be sought primarily in subjective factors, although objective ones do not remain without their repercussions. Considering that in all three phases of marketing management in Macedonian enterprises, undesirable tendencies are diagnosed, it cannot be expected that in the fourth phase, i.e. the control of marketing activities in those same enterprises, the situation would be better. If there is no objective planning of marketing activities, if the organizational structure of marketing activities is inadequate, if marketing articulation between sectors in Macedonian enterprises is not felt, then it makes economic sense for control to function in them. This is for a simple, logical reason, because there is nothing to compare, that is, there is no real standard, benchmark, in relation to which the implemented will be compared, and even less will it be corrected in the desired directions. Enterprises in the Republic of Macedonia, concentrating on those legally mandatory controls, completely omit voluntary control from the aspect of marketing activities or only provisionally perform it, which is not in accordance with the theoretical recommendations that give it equal treatment as a phase of marketing management with the other phases that precede in the process of marketing management with the enterprise.²⁵⁸

²⁵⁵ Lauterborn, R. (2009), New marketing litany: 4Ps passe; 4Cs take over, Advertising Age, Oct. 1:26

²⁵⁶ Kotler P. and Keller K. L.: "Marketing Management" 14e, Prentice Hall, 2012, p. 102

²⁵⁷ Randall, G. (2021) Principles of Marketing, 2nd edition, Thomson Learning, p.211

²⁵⁸ Milisavljević M.: Strategijski Marketing, EF Beograd, 2010, p. 125

The reasons for ignoring the control of marketing activities by Macedonian enterprises can again be described as objective, but also subjective.

Objective due to the fact that the economic climate in the Republic of Macedonia still does not offer relaxed opportunities for production and marketing of the products²⁵⁹, and subjectively due to the fact that Macedonian managers are very rigid when it comes to the need for any changes. The state of acceptance of the status quo, from both aspects, only emphasizes the behavior of Macedonian managers, following the line of least resistance, to solve, decide, manage ad hoc, even when it is not a matter of a lot of funds, a lot of effort and a lot of time, but just a little more motivation and creativity. The observation made, without a twinge of conscience, allows us to deduce that marketing management in Macedonian conditions has not yet found its true place, that is, that it has not found its true meaning that it has in developed market economies.²⁵⁹

Hence, and its small participation in the approximation of production (quantitatively and qualitatively) to market demands, i.e. in raising of the profitability of enterprises in the Republic of Macedonia (short-term and long-term).²⁶⁰ That is why, it can bear the attribute of defensive marketing management which, if it does not get an offensive turn in due time, can greatly harm Macedonian enterprises both from the point of view of buyers and from the point of view of competition and from the point of view of technology.

Moreover, it is an indisputable fact that marketing management, as a whole and by stages, depends on many factors: the size and age of the enterprises, the nature of their production, the existing business environment, the type of ownership, the degree of the achieved technical and technological level, the number and distribution of consumers, the size of the domestic and potential foreign markets, the type of competition, the available marketing staff - their knowledge and teamwork skills, etc.

The intensity of the influence of these factors (internal and external) is very different in different enterprises, i.e. it varies from enterprise to enterprise, and even within the same enterprise the variations are different in different time periods.²⁶¹ Therefore, there are also different approaches to marketing management, to its stages in different enterprises. But the axiom remains that every change in factors should find its reflection on the management of the enterprise as an open dynamic system or as a set of subsystems including Macedonian enterprises have problems with production, and marketing-oriented enterprises are enterprises where the problems of placement come to the fore, i.e. where the problems with production are eliminated and marketing management. Regardless of whether the changes are small or large, complete or partial, they should be constantly present at all business levels, and in the interest of customers on the one hand and the company on the other.²⁶² The establishment and functioning of real marketing management, with adequate implementation of its phases, in competitive conditions is neither an easy nor a simple task, but not impossible, especially if we take into account the material and even moral satisfaction as their results.²⁶³

²⁵⁹ They are the most widely used, i.e. enterprises apply combined forms of organization in practice much more often than individual forms.

²⁶⁰ The marketing mix is composed of the interaction of the so-called 4P (Product, Price, Place, Promotion) – product, price, distribution, promotion.

²⁶¹ Lancaster G. and Massingham L.: *Menadžment u Marketingu*, Grmeč, Beograd 2017. p.115

²⁶² Đorđević M.: *Strategijski Marketing*, Savremena Administracija, Beograd 2014, p. 65

²⁶³ Dispersion from this aspect is very harmful, because in this way it is difficult to find the optimal combination of the so-called 4R marketing tools, and it is one of the postulates for successful marketing functioning.

Marketing management, as a process that unfolds in stages, is an integral component in the functioning of modern market-oriented enterprises. With the transition, Macedonian enterprises de jure received exactly such a qualification, but de facto they significantly deviate from it. The argument that enterprises in the Republic of Macedonia, even after so many years of transition, have still not found in marketing management that significant input for successful, efficient, effective, and even profitable management supports the previous statement.²⁶⁴ To be honest, attempts to incorporate marketing management into the operations of enterprises are present, but in a rudimentary form, they are proceeding very slowly and with many “zig-zag” steps.

CONCLUSION

Marketing management in general, and its constituent phases in particular, in Macedonian enterprises, at least in the majority of them, are neither carried out in accordance with theoretical findings nor in conjunction with positive practical experiences. On the contrary, enterprises in the Macedonian milieu seem to be developing their own type of marketing management, marketing “made in Macedonia” which, according to our observations, equates advertising (economic propaganda, promotion) with marketing itself, which is a very simplified and narrow understanding of marketing as a concept. Advertising is important in the marketing functioning of enterprises, but not sufficient. It can only give good results in conjunction with a good product, a good price, and good distribution. Our general deduction that the application of marketing management, whether we observe it as a whole or in stages, in the Republic of Macedonia Macedonia does not satisfy us, we have tied it to reasons of an objective and a subjective nature. While the objective (external) reasons are outside of to make the irony greater, in the pre-transition period we had much more marketing than today. Frequent advertising of a product/service does not legitimize companies as marketingly active, but simply only “washes the conscience” that in terms of marketing something has been done. Hence the recommendations with economic policy measures to have a greater impact on the creation of better conditions on the supply side, as well as on the demand side, i.e. stimulating the market in the function of both greater production and greater consumption. As for the enterprises themselves, we are supporters of the recommendation for improving their management in general, i.e. marketing management in particular, in the direction of raising managerial knowledge, as well as developing the sense of teamwork that we think is most lacking. If we act simultaneously on both fronts (the macro and the micro level), if we find a challenge in the crisis, not a difficulty, i.e. if we move from passivity to creativity, we believe that things regarding Macedonian marketing would improve. In any case, the existence of marketing management, through the integrated realization of its phases, is no longer a matter of choice, but an imperative of the times in which we live.⁹ Hence, our strong commitment to the reversibility of the processes of Macedonian marketing management. Only in this way will it lose its current treatment as a luxury for Macedonian enterprises.

²⁶⁴ Frequent advertising of a product/service does not legitimize companies as being marketing active, but simply “washes the conscience” that something has been done in terms of marketing.

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