

THE ROLE OF STRATEGIC MARKETING MANAGEMENT FOR COMPANY DEVELOPMENT

Dilyana Yaneva¹

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Abstract

The effective development of each company is inextricably linked to the perception of the principles of strategic marketing management. Combining the characteristics of strategic management with strategic marketing, the process aims to take advantage of the business opportunities and stable market position for achieving the company's goals. The key role of the process also consists in the necessity of making effective decisions and take adequate actions as a result of corporate strategies' formulation and implementation.

Keywords: *strategic management marketing, strategic management, strategic marketing, strategic decisions*

JEL Codes: *M10, M30, M31*

Introduction

One of the key processes, ensuring the company's prosperity is strategic marketing management. However, in order to better understand its characteristics, it is necessary to clarify the nature of the two processes that make it up - strategic management and marketing management. To better understand its characteristics, however, the essence of the two constituent processes must be clarified first - strategic management and marketing management.

Specifics of strategic management and marketing management

Strategic management is an integral part of the daily life of senior executives - "a logical set of tools for analysis and selection, which is able to increase the likelihood of the company to choose the right strategy for its development, which in turn will allow to generate certain competitive advantages" (Todorov, 2018, p. 15). In this regard, it can be said that companies use this process as a basis for taking the direction of developing

¹ South-West University "Neofit Rilski", Blagoevgrad, Faculty of Economics, e-mail: d_janeva@swu.bg

decisions and actions that they will take in search of strategic competitiveness and return on assets. (Hristova, 2016, p.322). It is clear that a major component of strategic management are strategic corporate decisions concerning the effective handle of the company with the impact of its environment. (Gunnigle & Moore, 1994). They, in turn, lay the foundations of strategies' formulation aimed the achievement of the business goals. The idea is to outline the main activities for strategic growth and stability through the analysis of the factor influence of the external business environment, determination of the company's position on the market and management of the internal company processes. At the same time, in order to establish itself permanently on the market, the company must use a set of effective management techniques and tools related to marketing activities. This determines the essence of the marketing management process, including the main functions - marketing planning, organization, implementation and control of marketing activities.

Soundaian (2019) defines it as “a way of identifying customer needs and buying or manufacturing and selling goods to satisfy their needs” (p.2). Significant role is played by high professionalism, work activity, social responsibility, skills for anticipating market relations, creation of effective relationships with customers, a rational system for controlling and regular assessment of customer satisfaction (Sinyaeva, 2011, p. 3). In this regard, Kotler (1996) considers that marketing management is a process of planning and implementing the concept, pricing, promotion and distribution of goods, services and ideas to create an exchange with target groups that satisfies the customer and the goals of the organization (p. 16).

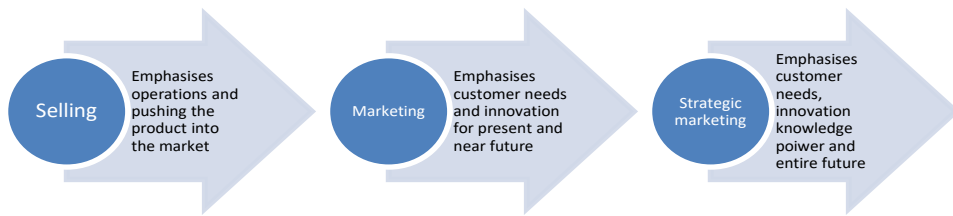
Marketing management can be defined not only as a process, but also as a system for analyzing the opportunities and threats of the marketing environment; identifying the strengths and weaknesses in the company's marketing activities; market research, customers and competitors research; determining the company orientation; developing marketing strategies and finding ways to achieve the set goals. Its importance is determined by the opportunities provided to build a clear vision for the company development in long term; the implementation of forecasts for development; making managerial marketing decisions; creating a marketing plan; formation of the marketing mix; research, analysis, market evaluation, etc. (Madgerova, p.140).

Need for a new look at the strategic development of the company's marketing activities

Modern market and economic relations and technological revolution require a change in the concept of corporate marketing management. Today, the existence and success of an enterprise is associated with innovation (Kalaidjieva, 2014, p.110). Increasing attention is paid not only to the implementation and use of innovations, but also to social

responsibility, understanding and full satisfaction of new consumer tastes and requirements, creating value for the customer, building key competitive advantages, etc. This is what determines the growing role of strategic marketing management in the organization.

Figure №. 1 Transition from selling to strategic marketing

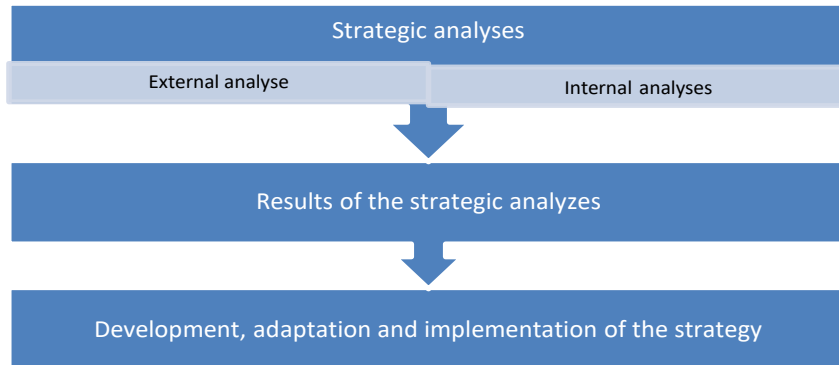


Source: Adapted by Soundaian, S. (2019). Strategic Marketing Management. MJP Publisher, p.4.

The main goal of strategic marketing management is through a systematic and continuous analysis of the external environment to adapt the company to its constant changes by creating the necessary conditions for development. The main goal of strategic marketing management is through a systematic and continuous analysis of the external environment, the company to adapt to its constant changes by creating the necessary conditions for development. At the same time, by researching and evaluating the internal company environment, the company can take stock of its potential, resources, market position, competencies, competitive advantages, opportunities and navigate on its current position in the business. The obtained data are used as a basis for making strategic decisions about the degree of compliance of the set general goals and the achieved results. They in turn are a starting point for the development of marketing strategies.

In support of this are the opinions of a number of authors, according to which, key components of the process of strategic marketing management are the strategic analysis, formulation and implementation of marketing strategy (Drummond, Ensor & Ashford, 2010, p. 14-15, Meek & Mee, 2003, p. 15).

Figure №. 2 Technology of the process of strategic marketing management



Source: Adapted by Aaker, D. & McLoughlin, D. (2009). Strategic Market Management: Global Perspectives. John Wiley & Sons, p. 11.

Mladenova (2006) also pays attention to the analytical and perspective phase of the strategic marketing planning including clarification of the current state of the organization and formulation of the marketing visions for the future development of the company - goals, strategies and action programs (p.32).

External strategic analysis is based on the use of indicators such as market segments, customer satisfaction, customer motivation, number and concentration of competitors, competitive goals and strategies, market scope, barriers to entry and exit, technological development in the industry, information security, etc. A set of indicators concerning profitability, market share, sales revenues, product range, strengths and weaknesses of companies, strategic problems, etc. is used for internal analysis.

These analyzes aim to clarify the opportunities, threats and strategic trends facing the company, allowing it to identify strategic alternatives and ultimately choose the optimal strategy to implement and adapt to its daily activities.

Current trends in strategic marketing management require a reorientation towards strategic thinking aimed at long-term decision making. An important issue here is one of the main components of the process - strategic marketing.

Unlike traditional marketing, strategic marketing focuses on the product, the relationship with the market, consumer tastes, seeking a balance between market conditions and company opportunities. By researching the threats of the external marketing environment and learning about its strengths and weaknesses, the company seeks to build such competitive advantages and take a position in the market that will ensure a stable level of profitability and growth. The long-term focus of the process draws attention to the creation of conditions for bringing the company to the requirements of the changing environment by attracting the necessary

resources; balancing between company and consumer interests; coordination, management and control of marketing systems; making decisions about the relationship between the company and stakeholders, etc. Based on the determination of success factors, the goal is to develop the company's mission, effective goal setting, formation of consumer demand, development of marketing strategies, plans and programs.

The differences between strategic marketing and operational marketing need to be considered in order to better understand its essence. They originate from the two main types of marketing activity in the organization - analytical orientation and operation.

Table 1. Comparison between strategic and operational marketing

Strategic marketing	Operational marketing
Analysis of consumer needs by defining the main market	Selection of targets for existing market segments
Market segmentation	Development of a marketing plan
Analysis of business opportunities	Defining the marketing mix
Competition analysis	Determining a marketing budget
Development of strategies	Implementation and control of marketing activities

Source: Adapted by Vasileva, Z., Filimonenko, I., Карпычева, О. & Говорина, О. (2008). Strategic marketing, Siberian Federal University Press. Krasnoyarsk, p.7.

It is obvious that strategic marketing seeks ways to permanently adapt and establish the market based on making adequate strategic decisions concerning the marketing activities of the company. It is necessary to mention that as a main tool of this process the adequate development and implementation of the marketing strategy is a key factor for success in the modern business environment and dynamic market relations.

Conclusion and Recommendations

From above presented it can be concluded that the strategic management of marketing activities in the company plays a key role in its development, so it is necessary to pay attention to the following aspects:

- Long-term orientation towards global goals for company development and reaching the desired strategic positions
- In-depth study of the external macro environment to identify opportunities and threats
- Analysis and evaluation of customers, competitors and other stakeholders
- Identifying the strengths of the company and creating a sustainable competitive advantages

- Use of innovative marketing approaches
- Efficiency of processes and systems by optimizing marketing planning, organization, implementation and control
- Presentation of strategic alternatives, ways and actions for achieving the set goals.

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