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SPECIFICS OF STRATEGIC MARKETING DECISIONS IN MANAGEMENT PRACTICE

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Abstract

Strategic marketing decisions are essential in creating sustainable competitive advantages and discovering strategic opportunities for company development. They are a key component in the management process of the organization as they have a direct impact on each of its functional areas. In this context, it is appropriate to examine the main characteristics of strategic marketing decisions and their importance for the company success. Their definition and comprehensive understanding will allow making and implementing decisions that will ensure the efficiency of the company.

Keywords

Strategic marketing decisions – Decision-making process – Management process
Company development

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Introduction

Concentrating on strategic opportunities and creating a sustainable competitive advantage of the company is invariably associated with the process of strategic marketing decision making.

Strategic decisions are a management method through which a system for the implementation of preventive measures and protective mechanisms to counteract the negative effects of the dynamic external and internal business environment is created. Using market information, marketing mechanisms and strategic approaches, the marketing department reveals the key competencies and competitive advantages of the company, helping to solve its problems.

The objective of the article is to examine in detail the nature, role, directions and technology of strategic marketing decision making and managing.

In today's dynamic and highly competitive environment, strategic corporate management and decision-making process are extremely important. In this regard is the opinion of K. Paleshutki, who considers one of the aspects of management, namely as a process of continuous decision-making. The idea is to maximize the number of decisions in which the result can be determined precisely and thus reduce the dependence on the manifestations of subjectivism¹.

E. Golubkov has made a significant contribution to the researched issue, defining the management decision as a permanent connecting link between the subject and the object of management. The author's opinion is that the executive mechanism of the control system generates a control effect on the object - the control system after a control signal of management. At the same time control system - subject of adoption of managerial decision, receives feedback on the correlation between actual and desired state².

Strategic decisions, as the main type of management decisions, have long-term effectiveness and search prospects for future development of the company. They "deliver value to the customer and add economic value to the shareholders/owners"³ affecting the economic sphere, business portfolio, available resources, company potential, corporate policy, market share, target markets, products, responsibilities, etc. A fundamental principle in strategic decisions is the creation of a system of preventive measures for anticipation, counteraction and adaptation to the changing environment. On the other hand, V. Papadakis and P. Barwise consider that they cut across functions and emphasize their role as a bridge between „deliberate“ and „emergent“ strategy, a major source of organizational learning and individual development⁴.

The development of the theory of strategic decision-making is accompanied by the opinion of R. Wilson and C. Gilligan, according to which the process has three main directions. The first direction concerns the strategic analysis and focuses on the definition

¹ K. Paleshutki, Management (Blagoevgrad: Fortune, 1994), 38.

² E. Golubkov, What decision to make (Moscow: Economy, 1990), 43-44.

³ I. Doole and R. Lowe, Strategic marketing decisions in global markets (Andover: Cengage Learning EMEA, 2005), xvii.

⁴ V. Papadakis and P. Barwise, "Strategic decisions: an introduction" in Strategic decisions, eds. V. Papadakis and P. Barwise (New York: Springer Science & Business Media, 2012), 2-6.

of the strategic company position on the basis of a study of the environment influence on the company activity. Strategic selection consists of the activities for generating and evaluating strategic alternatives, as well as strategy selection. The third aspect is related to the tactical implementation of decisions⁵.

It is clear that the strategic decision-making process plays a key role in the management process. In each field of activity, however, in order to create a strategic focus of the business, it is necessary to pay attention to marketing activities and the necessary solutions to ensure its proper functioning.

Strategic marketing decisions guide the way in which the company can achieve its goals in line with the needs and requirements of the consumers. The main aspects here are the marketing mix, market segmentation, selection of target segments, positioning, creating value for consumers and fully satisfaction of their needs. Above all, however, strategic marketing decisions are directly related to the survival, development and profitability of the company⁶. Therefore, company management must take into account the impact of: the pace of change and the need for rapid innovative solutions for products, services and marketing processes; awareness and knowledge of the market as the main resource of the competitive advantage; strategic importance of new types of partnerships and relationships in the supply chain⁷; development of innovative culture through training and knowledge management; the assessment of strategic marketing decisions and options in view of the potential return on each investment; the utilization of the company's competitive advantages; development of skills for managing the own marketing portfolio⁸.

A necessary condition for making reliable and appropriate marketing decisions is to know the factors that affect the process. M. Filipova systematizes them in the following groups:

- objective - the environment conditions with indirect and direct impact;
- subjective - depending on the qualities of the manager who makes the decision;
- influence of competencies - technology, training and dissemination of knowledge;
- time factor⁹.

Another important point, concerning the issue, is the need for a detailed study of the environment. A central role here is the marketing information system, the ultimate goal of which is to ensure the timely submission of up-to-date information on decision-making. In this regard, a number of authors believe that the effect of any marketing decision, as well as any management decision, is determined by the quality, volume, specificity and content of the collected and processed information for the purpose¹⁰.

⁵ R. Wilson and C. Gilligan, *Strategic marketing management: planning, implementation and control* (New York: Routledge, 2012), 11-12.

⁶ V. Shankar, G. Carpenter and J. Farley/Booz Allen Hamilton, *Handbook of Marketing Strategy* (Cheltenham: Edward Elgar Publishing, 2012), 13.

⁷ R. Wilson and C. Gilligan, *Strategic marketing management: planning, implementation and control* (New York: Routledge, 2012), 7-75.

⁸ I. Doole and R. Lowe, *Strategic marketing decisions*, Official CIM coursebook (London: Routledge, 2006), 4.

⁹ M. Filipova, *Management decisions* (Blagoevgrad: Neofit Rilski, 2008), 26-53.

¹⁰ L. Karakasheva, L. Mencheva and B. Markova, *Marketing* (Sofia: Prizma, 2001), 16.

Distinguishing between different types of marketing decisions is related to the determination of their levels. Their hierarchical subordination is illustrated in Figure 1.

Corporate marketing decisions are directly related to the achievement of general company goals. They are made by the senior management as they affect the overall focus of the business, company growth, survival, competitiveness and profitability. Following the marketing concept, the management team makes decisions about the formulation of the mission, vision, corporate objectives, company culture, image, etc. They are the most long-term than the other types of decisions.

Business marketing decisions are mainly related to the effective functioning of individual strategic business units. They are based on the activities for the development of marketing strategies, focusing primarily on market segmentation, selection of target market and product positioning.

At the bottom of the hierarchy are tactical marketing decisions that are related to the operational marketing activities. The main documents on the basis of which further marketing decisions are made are marketing plan and marketing programs.



Figure 1
Pyramid of marketing decisions
Source: compiled by the author

In view of the more detailed clarification of the issues, it is necessary to consider the technology of the strategic marketing decision-making process. This multi-dimensional process uses systematic analysis and requires intuition and experience, innovation and creativity¹¹. According to S. Musadiq the strategic decision is one of the three main elements of the marketing strategy process along with the strategic direction and strategic information¹².

In our opinion, the algorithm of the process includes the following five stages:

¹¹ I. Doole and R. Lowe, *Strategic marketing decisions in global markets* (Andover: Cengage Learning EMEA, 2005), 20.

¹² S. Musadiq, *Strategic marketing: making decisions for strategic advantage*, Second ed. (Delhi: PHI Learning Pvt. Ltd., 2019), 44.

- problem identification;
- formulation of a marketing decision;
- evaluation of the decision;
- implementation of the decision;
- follow-up control.

An important place in the process of strategic marketing decision-making has the analysis and evaluation of the company's marketing activities. In our opinion, the most suitable methods are Valanced Scorecard, Skandia Navigator and Performance Research.

At the same time, we believe that strategic decision-making in marketing could be followed by indicators such as: At the same time we consider that strategic decision-making in marketing activities could be implemented by indicators such as:

- financial indicators (profitability, liquidity, profitability);
- non-financial indicators (company policy and culture, corporate image, social responsibility);
- indicators related to the marketing activities (marketing goals, competitive advantages of the organization, identification of market segments, their needs and satisfaction, organization and management of internal business processes and systems, etc.).

Conclusion

In conclusion, it can be said that the new perception of the marketing management process search ways for permanent establishment of the organization on the market by creating stable relationships and value for the consumers, full satisfaction of their needs, appropriate use of the potential and strengths of the company, utilization of opportunities, etc. All this is related to the effective management of the strategic marketing decision-making process. It can be said that this type of decisions are reliable tools for company development. Therefore, knowing and understanding their specifics will help to increase the company's chances of business success.

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