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SUBJECTS AND STYLE OF STRATEGIC MARKETING DECISION-MAKING PROCESS IN THE ORGANIZATION

Ph. D. Dilyana Yaneva

South-West University "Neofit Rilski", Bulgaria ORCID: https://orcid.org/0000-0003-3472-4595 d janeva@swu.bg

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Abstract

Today's organizations pay more attention to the strategic management of their marketing activities. In this regard, a detailed study of the technology of strategic marketing decision-making process is needed. It is important to examine from whom and how they are taken and whether they have a direct connection with the hierarchical subordination in the organization. For this purpose, in 2019 a survey was conducted among Bulgarian managers and owners of business.

Keywords

Strategic marketing decision-making process - Strategic marketing decisions - Style - Subjects

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Introduction

Effective decision-making, including strategic marketing decisions, is a prerequisite for successful business development. Important elements of the process are the subjects and the style of decision-making.

The subjects in the process of strategic marketing decision-making are the owner/manager and his subordinates - marketing director, marketing specialists, managers of different company departments, external experts and marketers, employees.

Decision-making is the main function of the manager and has a direct impact on the daily business activities, the development of the company and the achievement of its objectives. Therefore the role of the utilized style of decision-making by the management team is key.

Theoretical Framework

Management efficiency required to solve a lot of theoretical, methodological and practical problems. Central among them are occupied with the task of ensuring proper conditions for making and implementing decisions based on objective economic information¹.

Due to different environment and experience, people learn different ways of decision-making². The style of decision-making is an essential tool in management practice. D. Verma defines it as an outcome of mental (cognitive) process leading to the selection of action among several alternatives³.

After the literature review, it is found that management decision-making styles can be considered in two main dimensions: information use and solution focus. According to the first factor, a number of authors divide styles into maximizers and satisficers style.

Two focus models are distinguished – uni and multi focused styles. By combining the two modes four basic decision styles can be identified - a decisive, flexible, hierarchic and integrative style⁴.

However, the effective organization, management and control of marketing activities requires making important decisions not only in dayly activity but also for the long-term development of the company. In this regard, senior management should make strategic marketing decisions together with its marketing personnel.

¹ V. Vasilev, "Economic analysis and modern systems for decision-making", Mechanics, transport, communications, Vol. 12 num 3/1 (Sofia: Todor Kableshkov University of transport, 2014), III-8.

² M. Filipova, Management decisions (Blagoevgrad: Neofit Rilski, 2008), 130.

³ D. Verma, Decision making style: social and creative dimensions (New Delhi: Global India Publications, 2009), 1.

⁴ M. Driver, K. Brousseau and P. Hunsaker, The dynamic decision maker: five decision styles for executive and business success, 3-rd ed. (Hoboken: Jossey-Bass Publishing, 1993), 5-40.; I. Stoyanov, "Management style for making a management decision through information and focus", Innovations in discrete productions, num 2 (Sofia: Scientific and technical union of mechanical engineering and National scientific and technical society for automation of discrete production, 2014), 40-44.; M. Filipova, "Management decision style", Economics and management, num 1 (Blagoevgrad: Neofit Rilski, 2008), 20.

It is no coincidence that R. Agarwal includes as a main recommendation in his guidelines for effective decision-making to involve subordinates⁵. In support of this view, D. Verma argues that consensus decision-making aims to be inclusive, participatory, cooperative, egalitarian, solution-oriented and most logical⁶.

In our opinion, V. Vroom offers a suitable model for understanding styles in the decision-making process. According to the area of influence by leader and the area of freedom for group of subordinates, five decision-making styles are differentiated: independent decision, individual consultations, group consultation, facilitation and delegation.

The appropriateness of the model is determined by the ability to involve and participation subordinates based on rules and a set of questions for for the analysis of the situation in which decisions are made⁷.

The objective of the article is to examine the technology of the strategic marketing decision-making process and its subjects and style in the organization.

Results and discussions

To reveal some fundamental aspects of the strategic marketing decision-making process and its subjects and style, a survey was conducted among 132 managers and owners of enterprises in the field of production, trade and services on the territory of Blagoevgrad regi on, Bulgaria in the period June - July 2019.

The distribution of respondents in the sample is as follows:

- according to the sphere of economic activity: 59.1% services, 31.8% trade, 9.1% production;
- by size in terms of employed: 52.3% micro, 27.3% small, 6.8% medium, 13.6% large enterprises;
- \bullet according to the period of functioning at the market: 2.3% up to 1 year, 25.1% 1-5 years, 18.2% 5-10 years, 54.4% over 10 years.

Based on the survey data illustrated in Figure 1, it can be concluded that in the majority of the sample enterprises, the strategic marketing decisions are made by the owners or managers (68.2%).

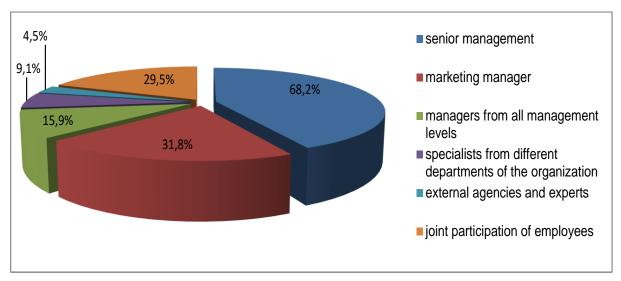
In 31.8% the marketing directors are responsible for this process and in 15.9% - the managers at all management levels in the company. 9.1% rely on marketers. The smallest share of respondents uses external agencies (4.5%). On the other hand, there is an increased trust in the opinion of employees - 29.5%.

⁵ R. Agarwal, Organization and management (New Delhi: Tata McGraw-Hill Education, 1982), 103.

⁶ D. Verma, Decision making style: social and creative dimensions (New Delhi: Global India Publications, 2009), 31-32.

⁷ V. Vroom, "Leadership and the decision making process", Organizational dynamics, Vol. 28 num 4 (2000), 89.

Subjects and style of strategic marketing decision-making process in the organization pág. 22



Source: own calculation based on surveys' results

Note: The percents are more than 100 because the respondents gave more than one answer.

Figure 1
Subjects and style of strategic marketing decision-making process in the enterprises in Bulgaria

The results of the study show that the subject of strategic marketing decision-making depends on the size of the company. In half of the micro-enterprises these decisions are made by the senior management. In 37.5% of them the owner consults with the opinion of his employees and 4.2% use the services of external experts.

The data show that managers and owners make decisions in all small enterprises. In 16.7% of them the process is in collaboration with subordinates. It is noteworthy that in 41.7% the managers of marketing department are engaged in this process.

In medium-sized enterprises, strategic marketing decision-making is concentrated in the hands of marketing directors (67.7%). One third of the respondents state that the decisions concerning the strategic company development are responsibility of the generaldirector or the owner. Joint decision-making by managers from all company departments is observed in 33.3% of them.

In large enterprises, power and decisions are concentrated in the senior management body (83.3%). 33.3% rely on the help of specialists from different departments of the organization, and respectively 16.7% rely on the manager of the department, managers of all departments and employee representatives.

Regarding the period since the company was established, the results show that in all start-ups, strategic marketing decisions are made by senior management. In the companies established 1-5 years ago, apart from the owners (63.6%), the decisions are made mainly by the marketing manager (27.3%) and by the employees (45.4%). The companies operating in the period 5-10 years rely on the senior management (62.5%), marketing director (25%) and all other directors (25%). The companies on the market for the longest time - over 10 years, trust the management executives (75%) and the marketing department (37.5%). Only 4.2% of them use the services of external marketing agencies.

In order to achieve the set objective, it is necessary to consider the issue through the prism of the economic activity sphere of the enterprise. The survey data show that the process of strategic marketing decision-making is most centralized in the commercial enterprises (71.4%). Over a third of them (35.7%) rely on the competencies of the marketing manager and 21.4% - on all managers in the organization. 14.3% of the respondents take into account the opinion of the employees. No company of this type uses marketing agencies and external specialists.

The situation in the service sector is similar. In decision-making, 69.2% rely on the general director or the owner, 26.9% - on the marketing director, 11.5% - on the other heads of departments. 3.8% of the respondents use external services. However, the share of companies that respect the opinion of their subordinates is high (30.8%).

Strategic marketing decisions in manufacturing companies are made either by senior management or by the head of the department (respectively 50% of respondents). In 22.5% of the enterprises the managers from all departments take part in the process. The share of companies using the services of external consulting companies is high - 25%, which is determined by the nature of the activities.

In order to establish the degree of correspondence between the actual and the desired state, we follow the opinion of the managers. Asked whether the strategic marketing decisions should correspond to the hierarchical levels of management in the company structure, 40.9% of respondents stated their strongly agreement. 43.2% of them rather support the opinion. 2.3% of them rather disagree and 4.5% absolutely disagree. 9.1% are undecided.

It is obvious that there is a certain discrepancy between the opinion of managers and the actual course of the process of strategic marketing decision-making in practice. However, there is a certain "awakening" in business about the need for collective decision-making and strengthening intra-company communication links.

Conclusion

Conclusions and recommendations can be outlined by the results of the study of the problem. The main directions, identified by the survey of the managers opinion of the Bulgarian enterprises, can be summarized in the following:

- 1. There is a direct link between the organizational company structure, the subject and the style of strategic marketing decision-making.
- 2. With less business experience of the company and a shorter period of market operation, the process is more centralized.
- 3. Owners and senior management of smaller businesses make strategic marketing decisions.
- 4. Larger companies and those with more experience behind them rely on collective decision-making using the opinion of external experts and marketers, managers and employees from various departments.
- 5. In the process of marketing decision-making of the enterprises in the field of services, employees take an active part, as they come into direct contact with consumers in their daily activities.
- 6. The specifics of the activity in the production enterprises impose the need to take into account the opinion of the production department managers and external experts.

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