ACTUAL PROBLEMS OF ENTERPRISES’ MARKETING MANAGEMENT

JELENA ŠALKOVSKA¹, ANDA BATRAGA², ELĪNA OGSTA³

University of Latvia (Latvia)

ABSTRACT
The purpose of this paper is to provide an overview of the most current problems and issues in marketing management. As all enterprises deal with various difficulties in their business planning, implementation and control, these issues and problems have to be recognized, dealt with, and solved. Most of the business strains will have a lot to do with diverse marketing aspects, as marketing is the main link between enterprises and their markets and customers; strategically mapped and implemented marketing helps to create competitive advantage and pave the way for success, but different problems can endanger firms’ marketing process, thus in today’s volatile business environment marketing executives have to bear in mind and deal with various facets of the marketing in rapidly changing world.

KEY WORDS: marketing management, current marketing management problems, actual marketing management issues, marketing management changes.

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Introduction
Marketing management has to be responsive and adaptive to ever-changing business environment. Over the past couple decades increasingly more companies have strived to deal with various shifts in marketing management processes, stemming from the growth of global competition and global markets, changes in marketing communication channel usage, the influence of social media and social networks, customer empowerment in digital age, effects left by technology usage, and necessity to make marketing more accountable by measuring the marketing management performance and success. Therefore various aspects that nowadays are leaving an impact on marketing management have to be identified within businesses in order to overcome the obstacles or grasp the possibilities and new chances that the current state of business, market, and social environment offers.

¹ Jeļena Šalkovska – M. oec., lecturer, University of Latvia, Faculty of Economics and Management. Scientific interests: marketing, marketing management, marketing communications
E-mail: jelena.salkovska@lu.lv
Tel.: +371 296 159 33

² Anda Batraga – Dr oec., professor, University of Latvia, Faculty of Economics and Management. Scientific field: marketing, marketing communications, branding
E-mail: anda.batraga@lu.lv
Tel.: +371 292 242 23

³ Elīna Ogsta – master student, University of Latvia, Faculty of Economics and Management. Scientific field: marketing management, business management
E-mail: elinaogsta@gmail.com
Tel.: +371 265 879 64
**Problem.** The marketing management is being kept high in the agenda as a process that drives the business growth in regard to building relationships with consumers and various stakeholders. As the current business environment is global, competitive, volatile, and dynamic, but marketing management must meet the new and shifting demands, there arise various issues, problems, and challenges which must be recognised and considered.

**Purpose.** The purpose of this research is to cover the main issues of marketing management that have gained attention in scientific literature, to highlight core problems and to reveal the directions for marketing management improvement at enterprises in Latvia in the conditions of ever-changing and dynamic business and marketing environment.

**Object.** The object of this article is the concept of changing marketing management and issues, problems, and topics that are linked with marketing management shifts as companies today have to deal with these strives in order to gain and retain competitive advantage and overall business success in the market.

**Tasks:**

- To consider the various aspects in today’s world, such as media, technology, markets, etc., that leave a significant impact on marketing management process;
- To offer comprehensive review of problem analysis and link this information with situation in Latvian companies, based on findings from two separate surveys of enterprises’ representatives in Latvia;
- To develop the directions for improvement of enterprises’ marketing management process in changing marketing environment.

**Methods.** For the theoretical base of this article scientific literature review was done in order to explore the current topics and to identify the most important changes in marketing management over the last decades. Two scientific research reports from 2010 (Gartner research 2010) and 2013 (The State of Marketing 2013, IBM’s Global Survey of Marketers) were examined. Data from two separate quantitative surveys of Latvian enterprises’ representatives, conducted by authors in 2013 and 2014, are analysed in this article; for data analysis descriptive comparisons of statistical data were applied.

**1. Ever-changing marketing management**

Nowadays marketing management – a business discipline that is focused on the practical application of marketing techniques and the management of an enterprise’s marketing resources and activities – faces many challenges, starting with the growth of global competition and global markets (Verhoef, Leeflang, 2009: 18), the shift in the marketing communications and media business (Zarantonello, Schmitt, 2013: 255), the major influence of social media and social networks on firms’ success (Groeger, Taylor, 2012; Flores, Struyk, 2012), the rise of the need to measure and evaluate the financial and even more – the nonfinancial impact of marketing activities on business (Bonoma, Clark, 1988; Ambler, 2000; Kumar, 2004: 235; Rust et al., 2004; Moeller, Landry, 2008; Gao, 2010; Chain, 2011), acknowledging that businesses have to measure not only financial cash flow, generated from sales, as it concentrates only on past performance, but processes as well (Rust et al., 2004; Jeffrey, 2010: 148). Furthermore, as information technologies leaves effects on business in form of databases, information warehouses, various customer loyalty management systems (Moutinho, Chien, 2008: 308), marketing organizations should think integrated when making marketing technology investments (Collins, 2010; Wright, Franks, 2013). A focus on integrating the areas of planning, performance management, financial management, online and offline channels, people, processes, content, and data analytics tend to lead to a higher return on marketing investment or ROMI (Collins, 2010), as this type of return on investment is considered one of the main options, how marketing executives can make marketing more accountable (Bauer Marshall, 2013; McDermott, 2013) – capable to link marketing strategies and actions to financial performance measures.

In the shifting environment of marketing, marketing executives have to deal with many issues and tasks. As rapidly emerging local and global competition leaves great impact on firms’ marketplace – many com-
panies market outside their home countries, thus international marketing strategies are becoming more and more significant for enterprises of all sizes and from various industries (Kumar, 2004). These changes have greatly affected marketing management as marketing managers nowadays must increasingly consider global competition, environmental problems, ethical, legal and political issues, income gaps, various customer preferences, beliefs and attitudes stemming from cultural differences, infrastructure capabilities and other hot topics (Moutinho, Chien, 2008). Therefore enterprises must possess an objective and comprehensive understanding of their businesses and the markets in which they operate in order to create an effective and efficient marketing management strategy and gain competitive advantage.

These marketing management changes during the recent years have forced marketing managers to be responsive and adaptive to the volatile business environment. Adaptability today is one of the key elements for successful marketing management planning and implementation (Ambler, 2000; Ambler, Barwise, Higson, 2002; Jeffrey, 2010). The importance of global marketplace connected economy, merging and consolidating industries, demanding customers and customer empowered behaviour are those topics that are especially relevant to markets and marketing nowadays (Moutinho, Chien, 2008: 309).

One of the main concerns for marketing management is increasing and providing return on investment or ROI, more specifically – return on marketing investment ROMI (Ambler, 2000), or return on marketing expenditure ROME (Shaw, Merrick, 2005: 46). For many businesses it is no longer enough to simply do marketing; marketing has to be measured, evaluated, and value of marketing efforts has to be understood in terms of revenue, customers, and leads (Ambler, 2000; Ambler, Barwise, Higson, 2002: 62; Moeller, Landry, 2008). Nowadays increasingly advanced marketing analytics tools and ways of presenting analytical information are available (Jeffrey, 2010: 125; Farris et al., 2010), thus marketing executives must meet the higher standards of marketing control and evaluation process and prove that their return on investment is reasonable for the money, effort, and time spent on marketing implementation. Marketing efficiency, effectiveness and performance are the key elements to many enterprises, as marketing managers must be able to link new or retained customers, inbound cash flow, and overall value created with the marketing activities that produced them (Ambler, 2000; Kumar, 2004: 236; Jeffrey, 2010). Challenge for marketing executives is to prove that not only tangible value must be measured and evaluated, but intangible merits and assets as well, as for today’s enterprises the creation of overall value more and more depend on data, systems, knowledge, intellectual property, brands, and market relationships (Ambler, Barwise, Higson, 2002: 5). Therefore various marketing metrics are gaining more and more attention in academic literature, as well as many companies are investing resources into selecting and using the most appropriate sets of marketing performance measurement methods (Bonomo, Clark, 1988; Ambler, 2000; Rust et al., 2004: 77; Chain, 2011; McDermott, 2013).

Studies show that marketing managers are concerned with creating and sustaining growth through the acquisition of new customers and superior loyalty, as well as raising and keeping customer satisfaction at sustainable level (Farris et al., 2010; Wright, Franks, IBM, 2013), hence authors conclude, that in today’s consumer-empowered and highly competitive world, marketing managers increasingly need to take hold every opportunity to start successful relationship, generate favour, and earn the trust of prospective customers. One of the chances to do so is to understand how to reach the audience more effectively. In many cases traditional marketing channels, tools, and messages are not enough anymore. This generates the necessity for synergy between integrated marketing communication tools, content of messages, and advanced marketing analytics to track and measure the impact of marketing communication (Collins, 2010; Wright, Franks, 2013). Before company can start converting leads into customers, it needs to get the attention of the audience and get new prospects interested in its product, service, or brand. Therefore current marketing management more than ever needs to choose and focus on the right channels in order to generate more awareness among consumers in the right markets; enterprises might need to evaluate various aspects of communication – are they using the right social networks, are they employing the right technologies, is the created content valuable for target audience, and so on. Rather than spreading all the possible information about a company in every direction, marketing managers must focus on right technologies, right channels, and right messages (Moeller, Landry, 2008; Flores, Struyk, 2012). Also they should use properly chosen analytics to determine
which channels are performing best by measuring the impact on target market, and concentrate efforts on elaborating those tools and channels of communication. By measuring the economic efficiency of marketing communications marketing managers can better understand and translate the link between growth rate in sales and marketing communication expenditures (Praude, Šalkovska, 2006: 420).

More often enterprises choose various social media platforms to ensure social presence and raise awareness among potential and existing customers about their products, services, brands, corporate identity, and other aspects of their business. Using social media to generate revenue and attract customers once was one of the priority “must do” on every marketing managers’ list, but they hardly knew what to do with these powerful communication tools (Warncke, 2012; Flores, Struyk, 2012; Whiteside, 2013). Nowadays enterprises know the value and influence of social media marketing, but they strive with converting social engagement into highly valued financial terms – money. As now it is not enough to just be present on social media, specific and individually tailored targeting and engaging models must be used to generate new leads for the business from social media (Moutinho, Chien, 2008; Warncke, 2012; Flores, Struyk, 2012). Therefore various marketing metrics and marketing techniques should be used to manage potential and/or existing customers in social environment. By recognizing the influencers, measuring and assessing the impact of electronic word-of-mouth (eWOM), evaluating the value of social fans and friends (Warncke, 2012; Whiteside, 2013), segmenting groups of users based on their social interests and activities, and properly managing appropriate follow-up communication companies can ensure greater social engagement between the business and consumers.

These new possibilities for marketing goes hand in hand with privacy issues on Internet, therefore companies might need to follow some ground rules. Nevertheless, intelligence about leads and customers that stems from information shared on social media, gives companies good possibilities to personalize messages and interact with people on more individual level. For example, if a consumer has shared an opinion about theatrical performance via online social networking and microblogging service Twitter, this information will allow a marketing representative from theatre to engage the consumer into the conversation with the information that is relevant to him/her. Such communication, if managed and executed with great consideration helps to generate more favourable and positive attitude. Much deeper bond with the digital audience in social media can be established through well-considered engagement in customer conversations – at the beginning marketing managers must be smart listeners and constantly analyse which customer conversations are the most significant for the business (Whiteside, 2013).

Keeping in mind that during the last 10–20 years marketing management has shifted focus from print media to online and social media, from direct “snail” mail and cold calling to more efficient and effective communication tools, it can be concluded that evolving technologies enable marketing managers to communicate and engage with customers in more appropriate and convenient ways. Modern marketing managers must know where their target audience is, how to provide the best value for them, and which tools can be used for achieving this marketing goal (Collins, 2010; Wright, Franks, IBM, 2013). As marketing management is evolving, marketing managers must know how to link knowledge from the past with current situation and to keep strategic focus on the future. As mentioned before, social media has become a dominant platform for two-way communication, as well as a feedback collection tool. But this technology progress does not stop here – more and more technologies and marketing techniques arise, different marketing strategies are developed and new trends form, therefore nowadays marketing managers must follow what aspects of marketing are changing and emerging in order to keep up with the new possibilities these technologies and techniques can offer to their businesses.

As an example for the shifting views of marketing management process authors highlight integrated marketing management concept. As one of the emerging marketing technologies, integrated marketing management (IMM; Figure 1) is a “closed loop” marketing process which represents an opportunity for enterprises to create better customer experiences, and to do so more efficiently (Collins, 2010). As many changes in markets today are driven by the rise of social and mobile channels and demands for marketing accountability and for measurement of marketing performance are dominant, IMM emphasizes the focus on integration
of people, processes and technology to drive overall ROMI. Marketing processes are complex across the marketing mix and the growing number of accessible channels, for example, traditional media, direct mail, e-mail, Internet, call centre, store, office, social media and mobile, increases the need to manage the marketing mix. Many of these new channels are not integrated into the traditional marketing processes, creating internal competition for resources and external competition for customers’ attention, leading to customer exhaustion and poor customer experiences. With continued pressure on marketing budgets and accountability, marketing leaders need a foundation that enables them to integrate people and processes across the marketing ecosystem for planning, financial management and performance management, as well as to balance the online and offline channels, traditional and social media channels.

The principles of integrity and synergy are close to modern marketing management, therefore IMM helps companies to create synergy with richer analytics and enables marketing managers to execute customer-oriented strategies and improve overall marketing performance as a better understanding of customers and greater channel visibility as customer orientation is when customer needs and satisfaction are the priority of an organization. It focuses on dynamic interactions between the organization, customers, stakeholders, as well as competitors in the market. Principles of integrated marketing management help to reach the right targets with the right message, in the right places and at the right times (Collins, 2010; Wright, Franks, IBM, 2013). Integrated channel execution helps to create order in digital marketing and gives marketers a precise overall view of their customer.

Marketing management constantly changes and evolves; the marketing management process may contain different problems and questions in enterprises, regarding various industries, target market segments, used marketing channels, tools and techniques, etc., therefore authors will analyse the actual problems of marketing management at companies in Latvia.

2. The current issues of marketing management at enterprises

In year 2013 in Latvia was conducted a quantitative survey, which incorporated 286 marketing representatives from Latvian enterprises. They were asked to evaluate various aspects of business that enterprises
should focus on and which they consider as most worrying issues within marketing management process. As study showed, most of the enterprises’ marketing representatives are concerned with following “dark spots” in their knowledge – are their customers satisfied with the firm’s offer (19 %), how to establish effective communication on the Internet (18 %), as well as marketing communication effectiveness research (14 %) – the main findings of this research are shown in Figure 2.

These problems and strives are closely linked to the theoretical background covered in academic literature of today’s marketing challenges in changing business environment authors illustrated in previous section. The knowledge about consumer satisfaction and behaviour is important for enterprises as it helps to forecast and understand consumer demand for products as well as brand preferences. By using the Internet and various search possibilities, consumers can obtain considerable information on the qualities of products/services, as well as on prices and optional products; markets today are becoming more and more transparent (Moutinho, Chien, 2008: 35) and accessible. As mentioned, consumers are more empowered today, they can search for any information, their word-of-mouth is more valuable for the companies than ever; consumers can take the initiative to communicate and leave feedback or comment, therefore companies strive to become more attractive to customers and to communicate with them better and more effective via Internet channels.

Also research findings in Figure 2 show that Latvian marketing managers are feeling anxious about their level of knowledge about those factors that are influencing consumers’ behaviour, marketing activity development possibilities in long term perspective etc. These findings indicate that most of the enterprises understand the importance of the customers as the source of the business success, and this point of view is nothing new to marketing management, as the whole marketing mix model evolves around offering the best, most appealing and required products/services for the target market segments, thus acquiring competitive advantage and gaining better positions in market, in customer minds, and in customer hearts.

Recently in 2014 another research was conducted – it incorporated marketing managers and marketing representatives form 106 Latvian companies and it was focused on marketing performance measurement in practice. They were asked to evaluate the importance of 57 marketing metrics in the context of their company and strategic marketing orientation. The main findings of this research were that most of the Latvian enterprises evaluate their marketing success by financial metrics – as Figure 3 shows, from all 57 offered marketing metrics, 25 of them in 65% and up to 90% responses were indicated as “Very important” or “Important” for companies’ marketing management and business management process, the main financial metrics are net profit (90%), profit (90%), annual growth rate (85%), return on sales (83%), market share (78%), return on investment ROI (77%), etc. These findings are not surprising as different authors and researchers have indicated the same patterns in companies all around the globe (Ambler, Barwise, Higson, 2002; Rust et al., 2004; Jeffrey, 2010; Farris et al., 2010).
The danger of this situation when financial measures in marketing management context are appraised higher than those metrics which are concerned with analysis of external data, such as customer behaviour analysis, consumer attitude measurement etc., lies within the fact that financial and sales metrics measure only what has happened in the past and they have very little to do with companies’ success in the future (Jeffrey, 2010: 125). Authors agree that balanced set of metrics is needed in order to gain better view on the business processes, to get insight into consumer and market dynamics (Kumar, 2004; Jeffrey, 2010: 127; Gao, 2010; McDermott, 2013), as well as the results, insights into market trends and dynamics, attained from these marketing performance measurement methods, must be presented in understandable and clear way, for example, in a marketing information dashboard (Jeffrey, 2010: 126; Maex, 2013). If companies, as study from 2013 shows (Figure 2), are concerned how is their communication perceived among their customers, how effective this communication is, these aspects have to be measured and evaluated, but enterprises in Latvia in most cases even do not know how to do that by indicating that their level of knowledge is not sufficient for this purpose. Therefore authors conclude that one of the biggest challenges in today’s marketing management for companies is to be open to new marketing trends and tools, for example, scorecards and dashboards, to put bigger emphasis on other marketing performance indicators, not only financial ones; as companies strive to be successful in increasingly competitive global marketplace, at the beginning they might need to change the common mind set in order to be more adaptive and rely not only on financial balance sheets and sales rates to substantiate and evaluate their marketing management performance.

Figure 4 depicts another current marketing management problem in Latvian enterprises. As it was indicated in previous research from 2013, 12 % of surveyed Latvian companies would like to develop marketing activities with a long-term perspective – with a long-term orientation, but survey data form 2014 shows that most of the enterprises do not plan marketing activities for longer period of time as most common answers stated that businesses tend to set marketing activity plans for up to 1 year period; the luxury of being able to plan ahead for mid-term 1–3 year period can be seen at mid-sized firms (50–249 employees) and large companies (more than 250 employees), therefore authors conclude, larger companies might have better knowledge as well as other necessary resources that substantiate the capability to analyse future and predict some trends, thus they are able to make long-term marketing activity plans.
As one of the most current marketing management problems that can be recognised, is the lack of development of integrated approach towards marketing activities. Integrated marketing communications are crucial for businesses as the integrated approach ensures that precise and strong impression about the company and its products/services/brands is given with various types of marketing communication tools, at the same time coordination with marketing mix elements is highly important (Praude, Šalkovska, 2006). But in practice Latvian companies strive to ensure integrated marketing management and integrated marketing communication process as on average 55% of enterprises (data from Figure 4) plan their marketing activities for up to 1 year period and this indicate that businesses have a short term perspective which does not correspond to the integrated marketing communication principles about marketing communication planning. Authors conclude that such situation is connected with the perceived unpredictability of the business environment – firms commonly decide that situations in market are changing too fast, thus it is not possible to make sustainable marketing plans for longer time periods. Also one of the drawbacks is the company’s management attitude and level of knowledge towards marketing planning process with long-term orientation.

The following Figure 5 indicates those marketing metrics which enterprises in Latvia do not use at all, do not useful and important for their businesses, or do not know how important these metrics could be for their marketing management process.

Authors would like to point out that 62% of the companies that took part in recent survey (in 2014) on multiple choice question about usage of various Internet communication channels indicated that they are using social media platform Facebook to present themselves and communicate with existing and potential customers, 38% use social microblogging platform Twitter, 16% are presenting themselves via LinkedIn, as well as 88% of all marketing representatives answered that their companies use web home page for this purpose. Therefore, by analysing the data represented in Figure 5, authors conclude that one of the mentioned marketing management problems remain – companies use social media as one of the top media channels in digital marketing age, but they do not run comprehensive evaluation of their social presence, nor do they know the impact of social media on their businesses as companies do not measure the cost per social friend, total reach, cost per click, as well as other media and communication evaluation methods are not being widely used at enterprises in Latvia.
Although over the time many authors and marketing researchers emphasize the growing significance of brand equity (Aaker, 1991; Ambler, 2000; Reynolds, Phillips, 2005: 176; Farris et al., 2010; Zarantonello, Schmitt, 2013), the data from enterprise marketing manager survey shows that brand equity, brand development index, and brand awareness are among those marketing performance measurements which are evaluated quite seldom and not many companies in Latvia tend to evaluate the strength of their brands. Therefore authors conclude that enterprises still have to learn how to evaluate their overall business and marketing performance as today brand and customer equity are the most highly appreciated assets a firm can possess. It is advisable for each enterprise to give to the above-mentioned aspects a careful consideration and to tend to think in more integratet marketing management terms.

Conclusions

As for today, some of the most influential marketing management problems, issues, and challenges can be recognised that are closely linked with various changes in today’s marketing environment – shifted importance of marketing communication channels and media, the growing impact of social media, the customer-empowered communication and impact of word-of-mouth WOM, the need for marketing accountability, the changes in technologies and marketing techniques.

In increasingly global business setting markets expand, therefore effective and efficient marketing management nowadays is characterised as able to adapt to the changes between the proportions within marketing mix model.

Existing technological solutions change and new technologies emerge, therefore this perplexity may confuse marketing executives, but at the same time marketing management has more opportunities to choose and use the best and most suitable for the business technologies and solutions;

Marketing performance measurement today is the main possibility for successful and respected marketing managers how to demonstrate the link between marketing and return on investment. Marketing has to be constantly measured and evaluated in order to follow the actuality of marketing strategies and marketing tools.
In Latvian enterprises the lack of long-term marketing orientation in marketing management planning and implementation can be observed, although many enterprises have apprehended the importance of social media influence on business well-being and customer attitudes and behaviour, but more specific and future oriented marketing evaluation techniques must be applied.

As studies show, enterprises in Latvia are more concerned with their financial success as it is easier to be measured, but at the same time companies do worry about satisfaction level among their customers, development of effective communication on Internet, brand development and other issues, but they strive with finding solutions to these problems, acknowledging that these aspects still have to be researched and the overall level of knowledge must be elevated.

Based on the conducted research, the authors draw the following recommendations for enterprises in order to improve their marketing strategies in volatile business and marketing environment:

1. It is necessary for marketing managers to measure the value of marketing tools and channels that are being used in marketing management process and in communication with target audiences in order to use the most appropriate, effective, and efficient tools and channels.

2. It is advisable for companies to follow the generative learning principles and constantly set for themselves benchmarks in order to gain better competitive advantages through continuous learning process.

3. Marketing management programs, plans, and strategies need time to time be reestimated and adapted to the changes that might have emerged in external and internal environment.

4. As marketing management implementation in the most appropriate manner often is endangered by top-management’s myopic view and lack of knowledge, marketing managers must substantiate their marketing activity planning with precise and actual measurement and evaluation methods.

5. The short term perspective on marketing activity planning should be replaced with a long-term planning approach in order to gain integrated marketing management.

6. It is necessary to continue further research – conduct qualitative in-depth interviews with marketing representatives in companies in order to gain more comprehensive insight into marketing management issues and problems in Latvia.

References


**AKTUALIOS ORGANIZACIJŲ RINKODAROS VALDYMO PROBLEMOS**

**JELENA ŠALKOVSKA, ANDA BATRAGA, ELINA OGSTA**

**Latvijos universitetas (Latvija)**

**Santrauka**

Šio straipsnio tikslas – apžvelgti pagrindines rinkodaros valdymo problemas, kurios turi būti atpažįstamos ir sprendžiamos organizacijose. Dauguma organizacijoms kylančių sunkumų susiję su įvairiais rinkodaros aspektais. Strategiškai pagrįsta ir įgyvendinta rinkodara padaeda sukurti konkurencių pranašumą ir padaeda pagrindus sėkmingai veiklai, tačiau kylančios įvairios problemas gali kelti pavojų organizacijos rinkodaros procesui, todėl šiandieninėje nepastovioje verslo aplinkoje vadovai turi įvertinti įvairius rinkodaros aspektus.

**PAGRINDINIAI ŽODZIAI: rinkodaros valdymas, šiuolaikinės rinkodaros valdymo problemos, aktualių rinkodaros valdymo temos, rinkodaros valdymo pokyčiai.**

**JEL KLASIFIKACIJA: M31**