



Research Paper

A Theoretical Focus on Marketing under the Corona Shadow

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ABSTRACT:

The present market problem caused mainly by the spread of Corona Virus and its subsequent spreading into a situation of pandemic has stroked in the most unexpected manner, equally to the individual firms and perpetually posed to have a challenging situation. This situation has all the characteristics of a global crises. Historically almost all such crisis was limited in both their scale and magnitude affecting to a certain geographical area and there is rarely any evidence of their impact on the global scale. The present crises left no scope for compensating the market shrink incurred at one location by way of bringing the place utility at other location.

The exodus of unprecedented over stepping of e-modus will open new opportunities but probably at the cost of scrapping the established demand supply models. This paper examines marketing operations during the periods of lockdown. As advocated in the philosophical paradigm this covid episode has provided a chance see it as an opportunity as some firms has aggressively undertaken marketing projects and invested aggressively, for establishing advantage over their weaker competing organizations just to ensure their market share. Some firms have taken a different approach, accepting it as a compelling situation and chooses to face it as a situation with the rules of mere economic downturn. Those firms have cut back on their marketing spending and willing to wait for elimination of the phase to pass. This paper reviews some of the marketing strategies that may be utilized if a company must successfully navigate the situational challenge of downturn.

This paper attempts to relook into the established approaches and it tries to assess the suitability of the theoretical framework of marketing after the incidence of corona virus in the sky of marketing. The immediate responsive and visible effect might be resulted in the contraction of overall economic activities. Some states in India has introduced the extended working shift of 12 hours. It has resulted in less availability of time for the workers to visit the market and spend the money. Since, the individual might be engaged in the earning activities. Such steps resulted in cutting the spending in the market and ultimately hampered the demand side of the equation.

Finally, the paper conclude that this abnormality of situation possesses a much bigger challenge to the marketing function, and it cannot be addressed through the normal strategies bearing on balancing the supply and demand driven crises. The firms need to understand the consumer decision making under this typical situation. This paper suggests some strategic areas in anticipation of getting some new proofs to become agile and adoptable since, consumer needs are bound to be ever changing, as a response to the unpredictable situation and give suitable recommendations.

KEY WORDS: post corona, moment of truth, covid-crises, post coronamarketing, uncertainty of corona

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I. INTRODUCTION:

In any normal course the marketing activities are aimed to provide various products to address the consumer wants. All the four p's are used together in a compensatory manner to provide a comprehensive solution, so to maximize the consumer satisfaction as a long-term aim and profit optimization as an immediate short targeted objective, simultaneously. There are various theoretical frames which works to guide and support these objectives, in the established setup of marketing theories. But, the eruption of corona virus has changed the rules of the game. And the post corona situation would be a totally different environment of never expected nature. Furthermore, there is no recent evidence of a situation of similar nature so to refer it for looking as a guiding post to face the challenges posed by this never expected highly loaded situational influx on the established methods of conducting marketing activities. Any kind of downturn affects the performance of individual firms and the industries as a cumulative resultant in the entire economy (Domowitz, Hubbard &

Peterson, 1988; Zarnowitz 1985). This paper tries to attempt to find a support for this practice under the theory of differentiation. During such hostile business environments, the decision makers may seek guidance from the marketing strategies that will allow them to cope with the situational pressure and guide them to perceive and get the less risky choice simultaneously allowing them to focus on the conservation of their scarce resources (Koberg, 1987).

The marketers are forced to analyze the impact of this epidemic driven lockdowns. It has affected the individuals in losing their jobs and it has resulted economically in lowering their wages, hence, there existed a situation of only desire for product without financial support. In such situations, consumers are bound to become value oriented, distributors are concerned about the cash flows and employees were worried about their jobs (Quelch, 2008). It has evidence that in a situation like this it leads to a discovery of new uses for the existing product due to extreme demand focused on necessity, resulting in a downward slide in the sales volume of the company. Hence, the marketer in such a special situation should adopt strategies to take care of the new realities (Guzman & Stern, 2016). These all factors perpetually defuse their influence in all the four features of uncertainties, viz. uncertainty of knowledge, choice, evaluation and implementation (Churchill, 1979). The organizational and environmental characteristics determine the firm's strategic behavior. The firm may aim for optimization of the resource by choice of strategic deployment and maximization on the its performance benchmarks (Conant, Mokwa & Varadarajan 1990; Menon, Bharadwaj & Edison, 1999).

The strategic solutions suggested by almost all economic theories are based on the principle of providing a single side solution to the forms in the form of quantitative easing (QE) and those are with a strong supply side orientation. The current situation needs to be understood with its impact on the demand side of the equation more critically. There are findings that the savings rate of the Americans' has increased during the month of March-April 2020, and it has reached to a record high of 13.5%. this is a significant indicator, because it has resulted due to a sliding in the cash withdrawal rates by 31%. This lowering of cash withdrawals is the lowest one from the year 1988. It is noticed that the Americans' has found the usage of the cards in normal course. But during this period, it was undertaken only for exploring merely two things; one, for paying at the outstanding bills of Walmart and second, buying the medicines. The expenses on the heads such as fuel, hoteling, travelling has indicated a straight fall by 50%. This is a clear symptom the change in the spending priorities. (SCB, 2020).

The present market problem has caused by the spread of Corona Virus and its subsequent result into a situation of pandemic which has stroked in the most unexpected manner equally to the individual firms and perpetually affected to have a challenging situation. The situation has all the characteristics of a global crises. Historically almost all such crisis was limited in both their scale and magnitude affecting to a certain geographical area and there is rarely any evidence of their impact on the global scale. The present pandemic has left with no scope for compensating the market shrink incurred at one location by way of bringing the place utility at other location.

The marketing strategies cannot be reactive to the situational challenge, posed by the mandatory quarantines cutting the masses from the markets. Besides, practice of social distancing is the never experienced way of social habitation introduced during this pandemic resulted in the form of the worldwide Great Lockdowns. All this has resulted at a magnitude and speed into the collapse in activities that has followed unlike anything experienced in the lifetimes earlier (Gita Gopinath, 2020). This abnormality of situation posed a much bigger challenge to the marketing function which cannot be addressed through the normal strategies bearing on balancing the supply and demand driven crises. The firms need to understand the consumer decision making under this typical situation in anticipation of getting some proofs of becoming agile and adoptable. Since, the consumer needs are bound to be ever changing, as a response to the unpredictable situation.

This is a situation of crisis like no other, causing the cumulative output loss over year 2020- 2021 by this pandemic has estimated to touch around 9 trillion dollars worldwide. The policymakers across the world are providing unprecedented support to the households, firms, and financial markets, Marketing strategies need to propose a time bound and resources driven possible solutions to overcome the widespread challenges. In addition, the firms are bound to get setbacks as many countries are facing it with aggravated multiple crises such as health crisis, financial crisis, and collapse in commodity prices, which interact in complex ways. Hence, this paper takes a novel approach to put forward some used and tested selective solutions from the inventory of recession which may boost the firm laid consumption in the market, but we need to magnify it well in advance since the resultant is hard to predict and suggest to be proactive in the approach. Proactive Marketing is much more than just a mindset it is an analytical approach that allows marketing professionals to be agile, real-time data-driven, and adaptable to the ever-changing needs and wants of both current and future customers. Four antecedents are suggested to be proactive in marketing during a typical situation those were identified as components of a model suitable to realign the marketing priorities (Srinivasan et al., 2005). The four antecedents identified are:

Strategic emphasis on Marketing: organizations that place emphasis on strategic marketing use market segmentation, product positioning and branding as well as market communications to create favorable and distinct image of their products as compared to the products offered by their competitors (Miller, 1988; Moorman & Rust, 1999). Such organizations can expect to charge the price-premiums, higher customer loyalty and overall market performance which can be measured by its higher market share and more stable customer base through these better and proactive marketing activities.

Entrepreneurial culture: The top management should gauge the business-related risks and view the changes as a way of obtaining competitive advantage by infusing and nurturing competitive entrepreneurial culture (Covin & Slevin, 1989; Johnson & Sohi, 2001). The firms should be prepared to take risks and may prepare themselves to view a challenging situation as an opportunity to take some risks and gain an edge over their competitors.

Availability of resources: The underutilized resources should be explored such as underutilized budgets, staff and workers time, cash reserves, spare production capacity etc. These slack resources may enable the firms to adjust themselves to face the dynamics in the external environment with minimal trauma and allow them to experiment and allow it to pose with new postures in relation to such environment (Bourgeois, 1981). In the context of unexpected situation releasing the slack resources can free the firms from a focus on their short term cost control and it may provide them the impetus to invest in offensive marketing actions which may enhance their long-term competitive advantage (Srinivasan et.al. 2005).

Sensitivity of the situation: The sensitivity of the situation needs to be measured in the extent to which it may influence the demand for the firm's products. It is unavoidable that during such situation, the demands for the products of the firm may result in a stiff decrease. It will be in proportion to the perceived sensibility estimated by the consumers in the situation. The choices available to the managers to respond in the situation like this will be fewer and therefore a firm is less likely to treat it as the situation as an opportunity (Srinivasan et.al; 2005).

Recession Marketing Strategies:

The post corona would be a period of consumer's low confidence coupled with a wide spread of unemployment. Both will influence the consumer spending in a negative manner. However, studies have shown that customers spend more at the end of such situations, on the average 9% more than they had spent at the beginning, according to the findings of Inter Public, a major international advertising agency. History also reveals that business that recognized the fact that growth does occur during any epidemic or situation of crises. The presence of element of uncertainty has been identified as the necessary precondition in the consumer choice process (Dewey 1910, p. 112). In the context of decision making, the influence of uncertainty has often taken in the form of subjective probability (Einhorn and Hogarth, 1986), with an assumption of quantification of that uncertainty, and the uncertainty operates as an element of ambiguity in the operative parlance exerts. Both influences on the individual's judgment and responds through a personal adjustment to their initial estimates of probabilities. It has been identified as the ultimate cause of consumer search, specifically in the eco-system in which the identity and roles of both the sellers and buyers are changing and the uncertainty causes on both in the form of fluctuations in supply and demand, due to the role of marketing information becomes obsolete (Stigler 1961). Thus, it is better to understand the consequences of the uncertainty in the process of consumers' decision making across the product classes and product layers, viz. core, augmented etc.

Some strategies that can help a firm post corona to thrive are as below:

The Product:

The major role during the pre-corona period had been played by the product and it will continue so even in the post corona regime. Its strategic importance will continue but the earlier approach of bundling various utilities together will not be enough because the hedonic need for safety will supersede all the other needs and this psychological need precedence should be addressed through the re-designing of the product for ensuring its acceptance and success in the market place. The established thought process which lead the consumers by recognizing their need would change in recognizing their priorities and it will be a challenge even for the so called established brands to enter into the buyer's consideration set and it will be challenging to even enter in this stage for some of the new and late entrants brands. The magnitude of expected need for safety will be in accordance with the class of product. The capital items and consumable items will be looked from different type of safety. The risk assessment to compensate and choose a brand need to be studied very carefully. The existing predictive models will be misleading for taking the call for investment and estimating the consumer demand equally (Erdem and Keane, 1996). It is suggested to address the need of safety at the core product layer rather introducing it at the augmented layer to ensure the problem of overstepping in the brand

promise space. The use of product endorsement through testimonials and assurance certification should be adopted to reduce the information overload for the consumers.

The price:

The price can-not be just a function of cost. It needs to be re-addressed to play a significant role in the post corona environment. Rather than arriving at price as a last point in product designing, we need to start price to be very realistic. This approach will allow the marketers to incorporate the affordability of a typical segment. Since, the affordability across the population has severely dented. The use or application of any model without the triangulation of data without considering the psychological influences may seem to be sheer useless. Price will become more and more a stationary end in the equation hence the balancing and the business model viability need to be produced through manipulation of volume alone. Volume will no longer be turning key for FMCG alone it will be a golden rule across all categories of not only merely products but will be suitable for services equally.

Price had been adopted and played as a role of a tacit but strong indicator to convey the assurance of the quality. But in the previous competitive times the nature of the product quality had been viewed from a limited scope and mainly tied it with the product's functional performance alone. Price has a dominant connectivity with the quality of its durability, and it had been incorporated as a reason for charging the premium. But the possibility of charging the premium in the post corona era will be only demanded based on functional safety specifically as a capacity to face the fatality challenges posed by the epidemic. Price need to play an additional role for share of voice (SOV), rather than supporting the targets of share of markets (SOM). In the post corona the customers will be shopping for the deals and it might be necessary to tactically adjust the pricing comprehensively. The price promotions will be more temporary and aimed towards extending credit to the long-standing customers and it will be a good pricing tactics in the post corona time. A firm should not necessarily explore reduction in the prices as an amicable solution for long term, rather the firm should focus on conveying the core values in the post corona period.

Since, more countries have closed their borders or go into a situation of lock down, it is not a suitable time to promote the products of travel and tourism. Similarly, firms must be sensitive about advertising categories that people have been told not to use, such as restaurants, out-of-home entertainment, or sports. The firms need to take care with advertising about the products those in short supply such as toilet paper, personal cleaning products, store-cupboard essentials. Creating demand for those products which cannot be satisfied could drive the consumer in-to frustration. It may also be taken by the consumers as act of profiteering from the situation.

The Place:

The Place is an element of marketing mix and it has played a significant role to ensure the product availability in the market. Mainly the selection of the decision of a distribution model had been to address the need of conveyance for the consumers, and the image the product is positioned with, by the marketers (Langley, Mintzberg et al., 1995). The exclusivity of place of distribution must match with the need of consumer engagement designed in the marketing transaction. Post corona this element of engagement is one of the prominent parameters in the complex type of product category and it will be judged on short term scale and it will be fully loaded with skeptical estimates. The epidemic situation has underlined the limitations of the so-called efficiency of the digital channels. Specifically, when the situation becomes challenging, and when the hiccups are unavoidable in the total environment, the physical channel is proved more trusted and hence more demanded. The emergence of various new touch points in the customer experience specifically those serving the new need of the situation to be catered through the adjusted distribution will be a challenge, because out of sight will be seriously lethal for forcing people to keep it out of mind.

Customers are expected to cut down on their discretionary spending as a consequence of association with the fear of expected economic downturn, the firms need to wait for a long time for everything to attain in the businesses activities and reach up to the previous level of operational normalcy as the first priority. In businesses of high customer contact, like quick services restaurants, the pre-covid business models designed to provide solutions measured on the parameters like product delivery and reach has been challenged out of the fear imposed out of the impact of hygiene and it requires a heavy re-shaping and re-aligning of the entire business model. It will be essential rather than continuing with the pre-covid strategic alliances mainly designed to address the challenges of cost saving and touching operational parameters such as fast delivery time targets. There is shift of business focus from efficiencies of deliveries to effective hygiene, it needed to be pushed hard so to become attractive enough to attain it nearly double to ensure the sustainability rather than designing the marketing activities just to make it suitable for pulling the necessary footfalls. The challenge of omnichannel presence need to be reattempted in the post corona era. Advertising expenses need to review in-support of the long-term brand goals rather than just brand building.

The Promotion:

Post corona will not a time to cut advertising and other marketing expenses, rather it has been advised to spend more on marketing. If the firm can, it should try to push up its advertising spending when probably the competitors are cutting down on their ad spending. A research has shown that the firms if able to maintain or even expand its advertising budget after such downturn event it ensures a better chance for growing both the sales and market share. It is advised to maintain the spending on market activities at least if it cannot be increased. The explanation for this phenomenon lies in the established relationship between share of voice (SOV) and share of market (SOM). When a brand's share of voice is greater than a brand's share of the market, it is likely to grow its market share soon. For those firms who do not have the extra money to increase their marketing spending post corona, they should focus on the three C's i.e. competition, customers and communication as their key strategic parameters to success during the immediate post corona situation and remained very focused. Firm's existing customer base is its biggest asset to face any challenge, across all formats of business models, be it business to customer (B2C) or business to business (B2B) type. It is very important to keep the existing customers happy and reward them for exhibiting their loyalty.

In the infrequently purchased categories such as household appliance, cars and apparel, there is no scope for tight advertising budget, rather it may be planned and be intended to drive immediate purchase, so post corona might be a right time to support this category with the right advert creative. This would bound to be a good attempt to build for the brand predisposition. There are some categories that can make people's lives easier during the situation of crisis and this category may attract an increase in the consumer spending in the short term. These include supermarkets, food delivery services, home entertainment providers. While in most markets, it isn't business as usual, delivering advertising that suggests a degree of normality can help to prevent panic and impact on mental health that is expected as a result of uncertainty and in avoiding self-isolation.

II. CONCLUSION AND RECOMMENDATION:

Post corona is bound to be a unique period of economic happenings. Customers are bound to cut down on their purchases, unemployment rate may go up, job insecurity is bound to increases, and consumer's confidence is touching the new limits of nadir. Firms will be motivated to cut on their budgets across the nations. Marketing budgets will be slaughtered in the forms of reduced ad spend and reduced margins for the distributors and stiff terms of commercial conditional cycles will be initiated keeping the yield noticeable to ensure the returns as quickly as possible. Studies had shown that advertising has a long-term effect on the sales, some time it remains even after five years after the ads are shown.

Strategically, brands should invest for long term outcomes. Even though the cause of the current crisis is different, the effect is very similar to that which we experienced during the financial crisis of year 2007-2008. Then, it had been witnessed that brands that continued their spending were those that remained strongest and recovered most quickly afterwards. Long term effects come from delivering lasting impressions that help to keep the brand salient and position it as meaningful and different for when the consumer comes back into the category. Importantly, that meaningful different doesn't necessarily have to be functionally or product-driven, it can be brand driven or more emotional. This paper recommends that in post corona, a company should try to maintain its market spending, (especially its ad spending) if it cannot increase it. The company should also focus on its competitors, customers and its communications.

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