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Use of strategic marketing management tools in contemporary enterprises

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Abstract. This article aims at a brief presentation of problems with the use of strategic marketing management tools in enterprises, which are becoming a basic category of strategic management. The author has resigned from analysing specific management solutions and focused mainly on theoretical issues with a wide scope of reference. First, the author presents a terminology network, which is slightly disregarded in the Polish literature. Next, the author makes an attempt to outline basic problems, including the problems connected with the preferences of managerial choices and the advantages of their proper use. The author's comments are intended to trigger further detailed empirical research.

Introduction

The quickly changing modern and complex business environment makes it even more difficult for enterprises in the market to conduct their activities. The enterprises face even greater requirements and are forced to be active (Andruszkiewicz, 2007). It can be noticed that the increase of the degree of strategic plans usage correlates positively with the increase of environment instability (Brews, Purohit, 2007). This, in turn, is a presumption that their character will evolve all the time.

A basic task of strategic management is to build and maintain competitive advantage of an enterprise, which should make it possible to achieve above-average results of its business activities. Although, in practice, most organisations will never achieve this, the competitive advantage concept will still beat other theories of effectiveness (Powell, 2001). Thus enterprises should strive to build competitive advantage and, in fact, they succeed. As Haffer (2003) rightly points out, succeeding in the accomplishment of one's strategic targets is possible owing to development of competitive advantage by an enterprise, and this is the sine qua non of success.

What is important from the point of view of this article, the most significant component of strategic management (a core of strategic management) is still strategic marketing (Andruszkiewicz, 2007). It is extremely difficult to draw a dividing line between a marketing strategy and other strategies comprising a general strategy of an enterprise. Their elements overlap and complement one another creating a new value for an organisation (Vardarajan, Clark, 1994). The most significant elements of a marketing strategy include its tools and, specifically, their selection and development (Rutkowski, 2012).

As Altkorn (2001) rightly points out, the basis of marketing management is permanent adjustment of an organisation to environment, and this, in turn, constitutes one of the greatest cotemporary challenges for managers. Thus the theses stating that the role of marketing in the strategies of contemporary enterprises will be growing, are justified. However, its shape will still evolve and the preferences regarding the use of strategic marketing tools will change.

The paper briefly describes problems with the use of strategic marketing management tools in contemporary companies. This article is based on an extensive review of domestic and foreign literature. The author's comments are intended to trigger further detailed empirical research.

Strategic marketing management tools – basic issues

First, several comments have to be made on the term of “strategic management tools.” It will be treated collectively in this article. The use of this notion has to be associated inevitably with resignation from investigations into the scope of similarities and differences between basic management terms such as methods, techniques, concepts, or approaches. Acceptance of this method of reasoning results from pragmatics, which is dominant in management sciences being a field strictly connected with business practice. In such fields, there is no single and commonly adopted opinion explaining what “strategic management tools” really are. Table 1 presents some examples of definitions.

Table 1

Examples of definitions of 'strategic management tools'

Author	Definition
Clark (1997)	"numerous techniques, tools, methods, models, frameworks, approaches and methodologies which are available to support decision making within strategic management"
Stenfors, Tanner, Haapalinna (2004)	"heterogeneous group of products designed to support organizations in dealing with the complex demands of competitive markets and the quest to create and maintain strategic advantage"
Afonina, Chalupsky (2012)	"different tools which support managers in all phases of strategic management – from the strategic analysis phase, through the strategic choice to implementation"
Knott (2006)	"this term is used to encompass full range of concepts, ideas, techniques and approaches that structure or influence the strategic thinking, strategic decision-making and strategy implementation activity"

Source: Clark, 1997; Stenfors, Tanner, Haapalinna, 2004; Afonina, Chalupsky, 2012; Knott, 2006 (as cited in Afonina, Chalupsky, 2012).

The above-mentioned definitions allow to state that the discussed category should be treated widely, and the basis for qualifying to its collection is always a feature of their potential influence on each stage of the strategic management process. A basic subgroup of the above includes strategic marketing tools (Armstrong, 2006). This term may be understood as including all the methods and techniques which support formulation and realisation of a marketing strategy of an enterprise.

Research suggests that managers use such tools to support situation analysis and evaluation of strategic choices (Jarzabkowski, Kaplan, 2015). Strategic management tools have become a key element to achievement and supporting competitive advantage in the condition of unstable economic and political environment (Afonina, Chalupsky, 2013). The benefits of strategic management tools can be summarized as: claimed to solve practical problems, designed for executives to help them to analyse environment, make a decision, provided diversity by creating point of views, can be adapted to a wide range for strategic tasks, facilitating social interaction between strategy participants (Afonina, Chalupsky, 2013).

Nowadays, strategic marketing tools have gained special significance in connection with the increase of significance of marketing functions in enterprises. This has effects on the already mentioned turbulent business environment and, in particular, the dynamic and unprecedented development of its technological dimensions. Moreover, the increasing competitive fight makes managers look for new and more effective methods of understanding consumers, creating tailored products

and more efficient and effective distribution or communication with customers (Kotler, Armstrong, Saunders, Wong, 2002). Rosa (2012) indicates that, as a result of changing conditions, marketing undergoes atomisation and there is a violent growth in demand for new marketing tools in the changing environment. In such turbulent times, the orientation of buyers has to be transformed into the orientation on strategy.

The use of strategic marketing management tools

Traditionally, the structure of marketing includes four most important elements such as a product, price, distribution, and promotion. In fact, the elements make it possible to divide more detailed tools into groups in a logical manner. There are hundreds of them in management sciences. Thus marketing strategy comprises several tool strategies (Penc-Pietrzak, 1999) in which managers apply marketing tools. They shape a manner in which a general strategy of an enterprise is developed. A model process of the strategy formation should be based on several stages, i.e. identification of problems, diagnosing of environment and inside of an organisation, development and selection of strategic variants, and realisation of a strategy (de Wit, Meyer, 2007). The stages constitute further criteria of division of tools, however, the blurred character and already indicated overlapping of the functions of an enterprise make it difficult to separate unambiguously some marketing tools from others.

Marketing activity tools and their hierarchy and structure result from a certain conduct chosen by an enterprise (Rutkowski, 2012). Every tool has its own strengths and weaknesses. To succeed, managers must understand the effects (and side effects) of each tool, then combine the right tools in the right way (Rigby, Bilodeau, 2007). It is certain that some management tools should be used for specific purposes, and have desired effects. In a pragmatic and classical approach to management, any activities undertaken are to lead to the accomplishment of assumed targets. They may include financial or non-financial targets.

Tassabehji and Isherwood (2014) suggest that a complete description of strategic management tools utilization in business practice requires research on a few specific fields, which should be analysed in stages. First, authors point at the need to investigate what tools are used. Further, research could be conducted into what strategic tools are used for communication, validation, or generation of innovative strategies. Then, there is a need to investigate the factors that might impact the use of strategic tools, including firm performance, firm size, centralization/ decentralization, duration of planning, and environmental instability. The majority of researches that have been conducted on strategy tools focused more on what

strategy tools are used than on why or how they are applied. Hence, the reasons for the use of strategy tools are still a little known topic (He, Antonio, Rosa, 2012).

Development of information technologies, including the Internet, modifies strategic marketing management all the time. The scope of very specialised marketing tools available is still expanding. On the one hand, it allows for solving a series of problems in a more effective manner, improves the quality of internal and external communications, makes it possible to learn more about customers' demands, or establish more durable relations with the same. However, on the other hand, there are a lot of serious issues, which often disappear in the day-to-day managerial routine. Any marketing management tools, not only the new ones, tend to be implemented with latest fashions. They may be imposed by a business partner or even implemented unknowingly.

The use of strategic management tools depends not only on the material properties, nor on the intended design of a tool, but also on the context and the interpretations of the actors who may use them in creative and unpredictable ways (Jarzabkowski, Kaplan, 2015; see also Faraj, Azad, 2012; Jarzabkowski, Pinch, 2014). It is scientifically proved, that managerial tools, which are familiar and easy to use, require no training or specific competence to understand and apply them (Jarzabkowski, Kaplan, 2015; Frost, 2003).

Slightly different thesis was formulated by Gunn and Williams (2007). These researchers noted that the use of strategic management tools by managers depends on the way of their education. They found that academically trained managers use the tools heavily reliant on theoretical frameworks, and that professionally trained managers most often use the tools associated with industry. The use of strategic management tools depends also on other criterion, such as awareness. Managers can be stakeholder or competitor aware. Some scholars demonstrate that there is no real difference in utilization between a country and business sector in which the managers operate (Tassabehji, Isherwood, 2014).

Using tools may enable managers to feel more rational in their strategic choices (Pondy, Frost, Morgan, Dandridge, 1983). Jarzabkowski and Kaplan (2015) correctly pointed out that employees have more or less freedom to select a tool depending on their position in the hierarchy. The growth of an employee's rank also leads to the increase of independence of his/her selection. Research relating to users of strategic instruments focus mainly on senior managers, who, as a general rule, are the most autonomous group in enterprises. It is obvious that they do not use personally all the solutions implemented in an organisation due to a lot of other obligations. This problem is observed particularly in the case of methods of business environment analysis for the purposes of marketing strategy. However, they do

make strategic choices as based on results obtained. Therefore, it seems that greater research attention should be devoted to the users of strategic tools who are not involved in decision-making processes.

Additionally, the literature indicates that choices of tools are often undeliberate, and have a routine character in the practice of an organisation (Feldman, Orlikowski, 2011). Therefore, it is not possible to establish rational prerequisites for selection of the same, nor associate them unambiguously with the purposes which they are to serve. Depending on the organizational culture, one deals with a weaker or stronger willingness to implement changes.

On the other hand, implementation of strategic tools in enterprises supports the growth of awareness, which helps to decrease the risks connected with making some decisions, determination of priorities in large enterprises, and delivery of a model for assessment of relative significance of various business portfolios (Aldehayyat, Anchor, 2009).

Another issue relates to the ‘correctness’ of use of the tools in managerial practice. This includes a manner of use of a given method, technique, etc. which is correct from a scientific point of view, complies with model steps and suggestions of authors of the same. Unfortunately, relative flexibility of use of strategic tools makes us doubt in cognitive abilities relating to the above.

In summary of this part of the article, it is necessary to agree with Eppler (2000), who notices that managers will have to rely more and more on their interpretation, analysis, and questioning skills than on their prior knowledge and experience, as their environment becomes increasingly turbulent.

Summary

The role of marketing in contemporary strategic management will continue to grow under the influence of dynamics of changes in business environment. Classical strategic marketing management tools become insufficient for succeeding in the market. A large number of available solutions, limited cognitive abilities of managers, or simply a lack of time often lead to the implementation of concepts, methods, or techniques of operation without deep consideration of their adequacy in a given area or in unawareness of other method of operation, which can be potentially better. Their number will continue to grow, above all, due to development of new technologies.

To sum up, managers should be recommended to reflect on strategic marketing managements tools implemented and used by an enterprise. Such tools should be adjusted to the needs of a specific enterprise and, above all, be effective. It should be remembered that implementation of the best solutions available will never be sufficient for an enterprise to succeed.

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Wykorzystanie instrumentów strategicznego zarządzania marketingowego we współczesnych przedsiębiorstwach

Słowa kluczowe: zarządzanie strategiczne, marketing strategiczny, instrumenty zarządzania

Streszczenie. Celem niniejszego artykułu jest zwięzłe przedstawienie problematyki wykorzystania instrumentów strategicznego zarządzania marketingowego w przedsiębiorstwach, które stają się obecnie podstawową kategorią zarządzania strategicznego. Zrezygnowano z analizy konkretnych rozwiązań zarządczych i skupiono się głównie na zagadnieniach teoretycznych o szerokim zakresie odniesienia. W pierwszej kolejności zaprezentowano nieco pomijaną w polskiej literaturze siatkę terminologiczną. Następnie podjęto próbę zarysowania podstawowych problemów w zakresie podejmowanej problematyki, w tym zagadnienia związane z preferencjami wyborów menedżerskich oraz korzyściami płynącymi z ich właściwego zastosowania. Poczynione uwagi w zamierzeniu autora mają stanowić przyczynek do dalszych, szczegółowych badań empirycznych.

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