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COMPANY MARKETING STRATEGY FROM THE PERSPECTIVE OF QUALITY OF LIFE

Abstract

According to the concept of quality of life marketing, integrating ethical and socially responsible concerns into marketing programmes constitutes a premise for success of a modern business. It is argued that adopting this logic enhances consumer trust, commitment and satisfaction. The objective of the article is to explore the points of theoretical overlap between quality of life and standard of living concepts in order to clarify the extent to which they could be studied together and discuss marketing strategy from the perspective of quality of life. It is believed that analysing quality of life and standard of living is important and essential because both are used to describe relevant aspects of human life, although the first focusing more on the micro and the second on the macro perspective.

Keywords: Quality of life marketing, marketing strategy, quality of life, standard of living, societal marketing

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Introduction

This article builds on research dealing with concepts of quality of life (QoL) marketing and quality of life and standard of living as both are used to refer to important aspects of life, in a more objective or subjective way. The philosophy of quality of life marketing calls for the development and execution of marketing programmes designed to enhance customer well-being while preserving well-being of all the affected stakeholders¹. The concept of QoL marketing has been described and discussed in a variety of contexts².

A growing interest in quality of life has resulted in research in economics, social sciences, psychology, health care and clinical medicine³. However, the concept of quality of life is similar to that of standard of living to the point that they are, erroneously, applied interchangeably. Both are used to describe relevant aspects of human life although employing different approaches that deserve to be examined.

In the section that follows, quality of life and standard of living literature is reviewed with an objective to clarify both concepts and shed light on some differences between them, presenting in the next step their historical evolution. Quality of life marketing is then examined and discussed from the viewpoint of decisions it may lead to at different levels of marketing strategy. In the last section, some conclusions are presented.

1. Conceptualisation of standard of living and quality of life

Standard of living is determined by goods and services available to the individual and the way they are distributed within a certain population, in other words welfare available to them⁴. Measures of standard of living can be analysed at local, national and international levels. As such, a good standard of living at a local level may fail to reflect the same at a national level. A cross-country comparison will most possibly bring different results to those accepted as a good indicator of standard of living.

¹ M.J. Sirgy, *Handbook of quality-of-life research: An ethical marketing perspective*, Kluwer, Dordrecht, the Netherlands 2001, pp. 188–189.

² D.J. Lee, M.J. Sirgy, *Quality-of-life (QOL) marketing: proposed antecedents and consequences*, "Journal of Macromarketing" 2004, 24(1), p. 44.

³ D. Cvrilje, T. Coric, *Macro & micro aspects of standard of living and quality of life in a small transition economy: The case of Croatia*, "Working Paper Series" 2010, 10-02, University of Zagreb, p. 4.

⁴ *Ibidem*.

Quality of life refers to overall welfare available to the individual and the whole society allowing them to fulfil their wants and needs⁵. Quality of life, especially when considered together with standard of living demonstrates a relative richness. It takes in consideration material indicators as well as other subjective facets which standard of living fails to measure. Interestingly, no consensus has been reached so far in creating a universally accepted definition of quality of life. A definition proposed by Hornquist⁶ regards quality of life as a degree to which individuals are able to satisfy their needs within the physical, social, psychological, material, structural and activity areas. For Campbell, Converse and Rodgers⁷ quality of life is a balance between 'good' and 'bad' or 'strong' and 'weak' with a reference to an individual's position and their perspective toward life. Quality of life reflects a general sense of well-being, life satisfaction and happiness⁸.

Some of the elements to include when analysing general quality of life are freedom of speech and freedom of movement, dignity and privacy, employment, the right to religion, peace of mind and well-being. In its measurement, standard of living may consider factors such as income, gross domestic product, housing, employment opportunities, inflation, and security. It may be argued that quality of life can be additionally boosted by standard of living. However, it is to be acknowledged that quality of life may be preserved even without material goods. Hence, quality of life is focused on more intangible objects that do not necessarily depend on wealth.

In practice, quality of life and standard of living are often used interchangeably. As a concept these are, however, two different things defined by distinct elements and which may even not be related.

2. Evolution of quality of life concept and its relation with standard of living

In ancient Greece quality of life was associated to happiness and happiness was considered the finest objective of a well-lived life⁹. In its original meaning, quality of life was therefore related to subjective emotions, happiness and satisfac-

⁵ Ibidem.

⁶ J.O. Hornquist, *The concept of quality of life*, "Scandinavian Journal of Social Medicine" 1982, 10, pp. 57–61.

⁷ A. Campbell, P.E. Converse, W.L. Rodgers, *The quality of American life: Perceptions, evaluations, and satisfactions*, Sage, New York 1976, p. 38.

⁸ B. Strumpel, *Economic well-being as an object of social measurement*, in: *Subjective elements of well-being*, ed. E. Strumpel, OECD, Paris 1974, pp. 3–11.

⁹ A.C. Michalos, S.R. Robinson, *The good life: Eight century to third century BCE*, in: *Handbook of social indicators and quality of life research*, eds K.C. Land, A.C. Michalos, M.J. Sirgy, Springer, New York 2012, pp. 23–27.

tion¹⁰. Living conditions of an individual would be also determined by material aspects the society provided. In this understanding, quality of life would be largely moulded by standard of living. In the 20th century, material and economic perspectives were still predominant in the 1940s and 1950s. These concepts shifted towards more individual characteristics that support the idea that a person's quality of life went beyond financial security and lack of material resources scarcity. Further issues involved the risk of a negative ecological impact on societies due to an uncontrolled economic growth¹¹. Since the 1970s, a scientific interest in QoL has increased engaging social scientists, economists, clinicians, and policy makers. It has become universally acknowledged that quality of life is a multi-dimensional concept and can be considered from a variety of disciplinary perspectives¹². Over time quality of life concept has expanded to include aspects of physical, social, functional and psychological health¹³. With visible effects of global crisis, an up-date in quality of life and standard of living turns necessary¹⁴ and indeed a new wave of research has arisen emphasising in its part the relevance of a market response to the changing environmental conditions.

3. Quality of life marketing

In marketing, the concept of QoL has originated from a set of philosophical foundations, the most commonly mentioned societal marketing¹⁵, relationship marketing¹⁶, and stakeholder theory¹⁷.

Societal marketing defined in terms of quality of life is the organisational practice that determines the needs, wants and interests of target markets and delivers satisfactory market responses more effectively and efficiently than its competitors in a way that preserves and enhances the consumer's and the soci-

¹⁰ A. Campbell, P.E. Converse, W.L. Rodgers, *The quality of American life...*, pp. 7–13.

¹¹ S.H. Ordway, *Resources and the American dream: Including a theory of the limit of growth*, Ronald Press, New York 1953, pp. 6–9.

¹² S.E. Meiner, *Gerontologic nursing*, Elsevier Mosby, St. Louis 2011, p. 344.

¹³ R. de Haan, N. Aaronson, M. Limburg, R.L. Hewer, H. van Crevel, *Measuring quality of life in stroke*, "Stroke" 1993, 24(2), p. 320.

¹⁴ D. Cvrlje, T. Coric, *Macro & micro aspects of standard...*, p. 12.

¹⁵ P. Kotler, *Principles of marketing*, Prentice Hall, Englewood Cliffs, NJ 1986, p. 601.

¹⁶ R.M. Morgan, S.D. Hunt, *The commitment-trust theory of relationship marketing*, "Journal of Marketing" 1994, 58(3), pp. 20–22.

¹⁷ W.M. Evan, R.E. Freeman, *A stakeholder theory of the modern corporation: Kantian capitalism*, in: *Ethical theory and business*, eds T.L. Beauchamp, N.E. Bowie, Prentice Hall, Englewood Cliffs, NJ 1988, pp. 75–84; R.E. Freeman, *The politics of stakeholder theory: Some future directions*, "Business Ethics Quarterly" 1984, 4(4), pp. 409–421.

ety's well-being¹⁸. Kotler¹⁹ refined the concept of societal marketing advocating a balance between companies' profit needs, consumers' satisfaction and public interest. A societal approach to marketing inspires organisations to act sensibly as they "will not only gain competitive advantage over who do not, but are more likely to survive in the long term with the support and approval of society"²⁰. Adopting the societal marketing concept conveys reassuring well-being, quality of life and environmental values that are higher than individual and corporate interests. Thus, "doing no harm is part of its spirit of QoL marketing"²¹.

Relationship marketing brings other facets to quality of life marketing emphasising the importance and benefits of establishing the network of long-term relationships with the company stakeholders²². It embraces all actions toward building, developing, maintaining and reinforcing committed, interactive and profitable relational exchanges²³. Morgan and Hunt²⁴ theorise that "presence of relationship commitment and trust is central to successful relationship marketing, not power and its ability to 'condition others'". Business partners who are dedicated give an additional effort and work to sustain and strengthen relational bonds, what positively influences further collaboration, financial performance and other outcomes²⁵. Consumers need and desire trust and confidence from a relational-based exchange²⁶.

Another viewpoint postulates that quality of life marketing is anchored in stakeholder theory. This approach advocates that QoL marketing strengthens consumers' well-being under the condition of sustaining well-being of other stakeholders (e.g., stockholders, distributors, competitors, suppliers, employees, the local community and the environment) of the company. Stakeholder theory assumes the organisation to be the centre of attention of a group of its different stakeholders

¹⁸ P. Kotler, *Principles of marketing...*, p. 16.

¹⁹ P. Kotler, *Marketing management: Analysis, planning, implementation, and control*, Prentice Hall, Upper Saddle River 1997, p. 14.

²⁰ M. Collins, *Positive and negative aspects of the societal marketing concept: Stakeholder conflicts for the tobacco industries*, The Birmingham Business School, Birmingham 1993, p. 3.

²¹ D.J. Lee, M.J. Sirgy, *Quality-of-life (QOL) marketing...*, p. 47.

²² *Ibidem*, pp. 48–49.

²³ M.J. Harker, *Relationship marketing defined? An examination of current relationship marketing definitions*, "Marketing Intelligence & Planning" 1999, 17(1), p. 16; R.M. Morgan, S.D. Hunt, *The commitment-trust theory...*, p. 22.

²⁴ *Ibidem*.

²⁵ N. Kumar, J.D. Hibbard, L.D. Stern, *The nature and consequences of marketing channel intermediary commitment*, Marketing Science Institute, Cambridge 1994, p. 94; R.M. Morgan, S.D. Hunt, *The commitment-trust theory...*, p. 23.

²⁶ J.N. Sheth, A. Parvatiyar, *The evolution of relationship marketing*, "International Business Review" 1995, 4(4), pp. 403–411.

and, in consequence, to form relationships with some of them in order to minimise environmental risk and ambiguity and align different interests²⁷. It proposes that if relationships between the company and the groups and individuals who can affect it or are affected by it are considered as a unit of analysis, then we have a better perspective to deal with the problems of the ethics of capitalism, managerial mindset and value creation and trade. Stakeholder theory is grounded in the literature of business ethics and corporate social responsibility²⁸.

Happiness and joy are commonly acknowledged aspects of quality of life. However, they are sometimes used by some as synonyms. A (well-developed and implemented) marketing strategy should link these aspects with the product bringing a feeling of contentment and pleasure when a product satisfies a need in a suitable way. It is believed that quality of life marketing strategies enhance customer satisfaction, trust and commitment.

The logic behind quality of life marketing points out that market selection decisions should be made in a way that allows target consumer benefit the most from the product²⁹. In decisions regarding a product, QoL marketing is an inspiration to develop and deliver products that can make a significant change in customer's life enhancing its quality³⁰. Products should be safe and free of risks associated with their use and consumption and for non-users as well³¹. Providing value to consumers is an important facet of a business organisation activity. Perceived value is "the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given"³². Consumers gain by acquiring products tailored to their wants and needs, or purchasing additional services³³. The evidence on benefits from consumer loyalty is vast. Research shows for example that retaining a consumer can be ten times cheaper than

²⁷ R.M. Morgan, S.D. Hunt, *The commitment-trust theory...*, pp. 21–22.

²⁸ E. Garriga, D. Melé, *Corporate social responsibility: Mapping the territory*, "Journal of Business Ethics" 2004, 53(1/2), pp. 60–62; J.D. Margolis, J.P. Walsh, *Misery loves companies: Rethinking social initiatives by business*, "Administrative Science Quarterly" 2003, 48(2), pp. 270–273.

²⁹ M.J. Sirgy, D.J. Lee, *Setting socially responsible marketing objectives: A quality of life approach*, "European Journal of Marketing" 1996, 30(5), pp. 23–24; M.J. Sirgy, *Strategic marketing planning guided by the quality of-life (QOL) concept*, "Journal of Business Ethics" 1996, 15, pp. 246–248.

³⁰ M.J. Sirgy, *Strategic marketing planning...*, pp. 248–250; M.J. Sirgy, D.J. Lee, *Setting socially responsible...*, pp. 25–26.

³¹ D.J. Lee, M.J. Sirgy, *Quality-of-life (QOL) marketing...*, pp. 46–47.

³² V.A. Zeithaml, *Consumer perceptions of price, quality, and value: A means-end model and synthesis evidence*, "Journal of Marketing" 1988, 52, p. 14.

³³ K.P. Gwinner, D. Gremler, M.J. Bitner, *Relational benefits in services industries: The consumer's perspective*, "Journal of the Academy of Marketing Science" 1998, 26(2), pp. 102–103.

capturing a new one³⁴. It is therefore of much importance to comprehend what perceived value is and how target market consumers make their assessments and judgments. The philosophy of QoL marketing in decisions regarding price is making it affordable to consumers³⁵ while considering interests of other stakeholders. Thus, the price should be reasonable and balanced yet able to give a fair return on the investment. Ethical issues comprise agreements between competitors on fixing prices, practices of dumping policy or price discrimination. In promotion decisions, quality of life marketing brings the idea that providing information about the product costs and benefits enhances customers' quality of life and quality of life can be further enhanced by providing information on how to take the maximum benefit from the use of the product. Regarding distribution decisions, the logic of QoL marketing encourages the company to use as many as possible distribution channels to guarantee accessibility³⁶. However, distribution spectrum is not unlimited and should be deliberated since broader distribution channels are associated with a higher health and safety risk to employees and populations having contact with the product are subject to while on its way to the target.

Conclusions

Quality of life and standard of living are two concepts entrenched in literature and often used interchangeably. Conceptually, they are defined by distinct factors and might even not be related. Standard of living reflects a level to which person's basic needs are met while quality of life shows a subjective view of well-being and satisfaction with life.

There has been a growing awareness and an increasing interest in better, safer and healthier products. Companies are under pressure to provide well-designed, quality, fit to customers' needs and wants products at affordable prices yet subject to economic and financial constraints deriving from markets under crisis. Quality of life adopted in marketing strategy seems to be a suitable approach as it enthruses marketing strategy to advocate consumers' well-being while preserv-

³⁴ J.L. Daly, *Pricing for profitability: Activity-based pricing for competitive advantage*, John Wiley and Sons, New York 2002, p. 85.

³⁵ M.J. Sirgy, *Strategic marketing planning*..., pp. 250–251; M.J. Sirgy, D.J. Lee, *Setting socially responsible*..., pp. 27–28.

³⁶ Ibidem, pp. 28–31; M.J. Sirgy, *Strategic marketing planning*..., pp. 251–255; M. Constantinescu, *The relationship between quality of life and marketing ethics*, "Romanian Journal of Marketing" 2001, 3, pp. 42–43.

ing the environment, promote long-term satisfactory relationships with company stakeholders and integrate socially responsible and ethical concerns into marketing programmes.

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STRATEGIA MARKETINGOWA FIRMY W ASPEKTCIE JAKOŚCI ŻYCIA

Streszczenie

Zgodnie z założeniem marketingu jakości życia włączenie kwestii etycznych i społecznie istotnych do programów marketingowych stanowi przesłankę sukcesu nowoczesnego biznesu. Twierdzi się, że przyjęcie tej logiki stymuluje zaufanie, zaangażowanie i satysfakcję konsumentów. Celem artykułu jest zbadanie zakresu teoretycznego pokrycia się koncepcji jakości życia i poziomu życia, aby zrozumieć, w jakim stopniu mogą być one wspólnie rozważane, oraz omówienie strategii marketingowej z punktu widzenia jakości życia. W naszym mniemaniu, analiza koncepcji jakości życia i poziomu życia jest ważna i konieczna, jako że obie są używane do opisu istotnych aspektów życia ludzkiego, choć pierwsza skupia się bardziej na perspektywie mikro, a druga makro.

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Słowa kluczowe: marketing jakości życia, strategia marketingowa, jakość życia, poziom życia, marketing społeczny