



Inhibitors and motivators of marketing programmes in Covid 19 Era: The marketing mix perspectives

Ogunode Philips Olatunde, Olowe Temitope Sunday, Abereola Samuel Niyi

Department of Marketing, The Federal Polytechnic, Ado-Ekiti, Nigeria

Abstract

The appearance of Covid 19 otherwise known as Corona virus has caused significant changes in the way marketing activities are performed. The pandemic which is presently ravaging the entire globe has forced most marketing operations to be carried out digitally. This article aims to determine the motivations and inhibitors of e-marketing in the pandemic period and develop the concept of e-marketing from the marketing mix perspective. The methodology of this article uses a descriptive qualitative approach by analyzing various literature on e-marketing. The results of this study found that traditional marketing which demands physical contact is no longer profitable especially during the Covid-19 Pandemic. Firms that have taken their activities to digital platforms are doing well in terms sales, customer satisfaction and profitability. This study was anchored on business model for digital business which rely on exploiting information and knowledge in order to support managers of digital businesses successfully. This article contributes to the development of e-marketing from an marketing mix perspective by introducing benefits accruable to online marketing operations. The study recommends that that marketing firms should put adequate digital platforms in place to widen the scope of online distribution of goods and services and which will offer more express delivery of goods to the arrays of customers.

Keywords: marketing, Covid-19, product, price, promotion, place

Introduction

The outbreak corona virus which is otherwise known as Covid-19 first appeared in the region of Wuhan, China. The virus spreads incredibly quick between people and in just a few months, tens of thousands of people worldwide have become infected (MphOnline, 2020) ^[21]. As the Covid-19 outbreak spreads, organisations across the world are also getting affected by it. Some of the world's biggest companies had negative effects such as manufacturing being disrupted, stores being empty without consumers, and flagging demand for their wares (Eavis, 2020). Some companies may also struggle because of their investors being more reluctant to lend them money after the outbreak (Eavis, 2020). Some of the most hard-hit sectors include airlines, leisure, and hospitality. Bars and restaurants are also being heavily affected (Fraser, 2020). This pandemic has become the biggest threat to marketing activities and the global economy as most nations of the world have been heavily dealt with by the pandemic. (Nee Lee, 2020) ^[13]. Furthermore, some countries are starting to put their citizens on various forms of lockdown to slow the spread of the virus. These include national quarantines, school and work closures (Kaplan, Frias and McFall-Johnsen, 2020). According to Ben May (2020), who is the head of global macro research at Oxford Economics, other than the number of cases of Covid-19 there is another key issue which is the level of distribution to economies from containment measures. Widespread lockdowns, such as in China, UK, and Italy have been targeted as some of the virus hotspots and if enough measures are not taken, it can cause even more panic and make the global economy weaken even more. The Covid-19 outbreak has caused fear for the way it is impacting the global economy and how it has impacted marketing activities worldwide, causing plunging stock prices, hindering physical distribution, product developments and promotion (Nee Lee, 2020) ^[13]. Furthermore, the situation has made large banks and institutions to decrease their forecasts for the global economy and a new report from OECD shows that the 2020 growth forecasts have downgraded in almost all economies. Earlier 2020, the percentage for the global economic growth was 2.9%, today that number has lowered to 2.4% (Nee Lee, 2020) ^[13]. The manufacturing sector is also one of the most hard-hit sectors by the virus outbreak As the Covid-19 outbreak can affect the productivity capacity and exports of any given country (Alicke et. Alt, 2020) ^[7]. According to an article by McKinsey & Company (2020) ^[7], there are some immediate actions that firms should consider in response to Covid-19. Some of these actions include optimizing production and distribution capacity, and to asses realistic final-customer demand. Some firms may experience inventory shortages as a result of the travel restrictions and lockdowns and therefore it is important to prepare for these possible implications (McKinsey, 2020) ^[7]. Since the Covid-19 pandemic, many marketing firms have started to experience some short- term changes. For example, firms are adapting to online sales and the rate of turnover have increased. This due to physical stores closing because of the virus and is pushing consumers to go online

for their necessities (Holman, 2020) ^[12]. According to statistics from Adobe Analytics (2020), Online marketing has overall increased with 25%. However, as with most external impacts, companies as well as marketing firms, should adapt to changes that emerge from the external influence, by modifying their marketing activities, and change their operations and business models to gain better customer satisfaction (Denger, 2020). For newer and modern firms, integrity is an important aspect of business operations and it is also important to ensure that a planned response to the external impact is executed. According to Denger (2020), some methods for adapting a business to the current Covid-19 situation include, communicating with the consumers and explain how the crisis affects one's business, meeting customers commitments and to ensure operational continuity, which will be challenging but is now more important than ever. Furthermore, many online sellers have started to develop new product offers and sale strategies due to the Covid-19 pandemic, however, this could potentially result in them taking unwittingly tax responsibilities that they may have not encountered before (Demery, 2020). Covid-19 outbreak creates uncertainty in distributions and could possibly create demand uncertainty. Ken Fleming (2020), explains that during a pandemic, it is important for firms to optimize the marketing firms fulfillment experience. It is important to bring value to the customers and many marketing firms strive to meet their needs by offering quick and affordable shipping. For e-marketing, customer service is very important, especially during an unprecedented time like this it is important for them to remain consistent in by bringing value to the customer service and to stay flexible and mitigate potential impacts of Covid-19 (Flemming, 2020). Some ways that e-marketing firms can optimize their customer intimacy in their value chains in a pandemic, is, for them to be more responsive to their customers on social media, phone or live chats. Package delivery tracking is also one way to optimize the information intermediaries of the value chain by offering package delivery tracking with notifications and alerts for the customers to keep them informed about their delivery. According to preliminary data from Quantum Metric (2020), marketing programmes that is associated with specific physical stores, are experiencing an average revenue weekly growth rate increase of 52% and an 8.8% increase in conversion rates, compared to last year (Sterling, 2020). So far, the evidence is showing that foot traffic in shopping malls is going down. This could potentially put pressure on marketing, and many argue that consumers will shift more towards online purchases such as Amazon. However, since the possibility of distribution and manufacturing issues is increasing, product shortages and potential declining consumer demand due to people being quarantined and not wanting to risk exposure to the virus, could furthermore, cut the growth of marketing firms (Sterling, 2020) These findings and assumptions are, furthermore, suggesting that the outlook at the moment, is very uncertain among retailers. At the current moment, the outcome of Covid-19 is hard to predict when it comes to society, people's health, economically and for marketing firms. However, by looking at previous pandemics in history, the effects can be compared.

Inhibitors and Motivators of COVID 19

Frost and Sullivan made a report named "The Coronavirus Outbreak and Its Impact on The Global Economy" (Frost and Sullivan, 2020) ^[11]. According to Frost and Sullivan (2020) ^[11], "The coronavirus isn't only a global health crisis, but an economic one as well" (Frost and Sullivan, 2020) ^[11]. Many businesses across the world have been struggling due to the pandemic. The impacts of the lockdown have affected many Nigeria and some African countries which contribute greatly to global economies (Singh, 2020) ^[15]. The Covid-19 situation is bound to have many consequences product, price, promotion and distribution, but many researchers have mixed opinions of the severity of Covid-19 and its impacts on the marketing mix elements. One study by Digital Commerce 360 (Radial and Zoovu 2020), including a survey of 304 retailer shows that when asked what impact they believe the Covid-19 will have on marketing, 32% believed that it would go down somewhat while 30% answered that they think it would go up somewhat (Radial and Zoovu, 2020). The study, furthermore, states that online retailers are still continuing to adapt to the continuous changing environment that the Covid-19 outbreak causes. The virus has affected every part of the globe. Major economic powers such as USA, Spain, Italy, Germany, and many more countries have been hard hit by Covid-19 and the world is on a standstill position for an unknown period (Abdin, 2020) ^[5]. All types of production, such as technical, mechanical and technological, have reduced into an insignificant level which may lead into a deep global financial crisis in the near future. Even if Covid-19 is a huge health problem, some businessmen and entrepreneurs must continue with business, because consumption of essentials cannot be stopped during a time like this. The crisis can deepen even further if the supply of essential products is stopped. Therefore, when doing business in times of a pandemic, some strategic planning must be considered (Abdin, 2020) ^[5]. This includes taking precautions of employee's safety and using alternative modes of communications like digital channels. It is important for companies to adapt to every digital tool available for them and to ensure that the business functions properly during the crisis. Marketing firms are is having great opportunities during this time, as consumers don't have to go outside and expose themselves to the virus. Digital tools are a great option as they can be used for receiving orders, materials procurement, receive shipments, operationalize production, distribution and after sale service (Abdin, 2020) ^[5]. The Covid-19 situation is constantly changing, and new challenges emerge. Many people's daily lives have now changed as some countries are on lockdown and people are generally staying inside more (Hasanat *et al.*, 2020). As less people are going into physical stores to shop, they turn more to online shopping which is positive for their sales but can cause challenges with shipping delays (Radial and Zoovu, 2020). Companies such as Amazon, FedEx and UPS have been experiencing delays due to spikes in online shipping related to the Covid-19 situation (Porter, 2020). This shows that retailers and carries are dealing with high increase of online orders and according

to Radial and Zoovu (2020), 57% of consumers alter their day-to-day activities to be as contactless as possible. Particularly the online orders of household goods and consumables have risen. Because of Covid-19 online order fulfillment slows as companies have more orders from consumers and the time to fulfill orders have risen. The time is measured by the length of time taken from when a consumer hits buy to when the order is picked up by the carrier for delivery and it has generally gone up from 15.1 hours to 21.2 hours (Radial and Zoovu, 2020). A report by Nuno Fernandes (2020) ^[8], states that there has been evidence from different markets where the functioning of global distribution channels and manufacturing has been disrupted by the current pandemic. The report exemplifies car companies, which are shutting down operations due to the lack of parts. The disruption is increasing the cost of business for manufacturing companies. Furthermore, the report uses a survey by the U.S Institute which states that 75% of companies have reported disruptions in their manufacturing and distribution channels and there have been shortages of raw materials and final products. This is due to the lack of air and ocean freight options to move products across the world. The report shows that the stock market collapsed in March 2020 and several of the largest companies have seen share prices fall by more than 80% in just a few days. Many stock indices around the world have now registered their biggest one-day falls on record. Furthermore, the study reports some of the most hard-hit industries including oil, gas, and coal firms, travel and leisure, aerospace, mining, banks, and media are all examples of sectors that have fallen by more than 30% (Fernandes, 2020) ^[8]. The disruptions that marketing firms face due to Covid-19 could furthermore have an impact on the firm's value chains. Changes in value chain can affect the economy and the value brought to the end-customer (Roosendaal, Huiberts, Geurts and Van der Vet, 2003) ^[20].

Theoretical Background of the study

This study was anchored on business model for digital business. The model for digital business offers explicit and appropriate information and knowledge in order to support the managers of digital businesses successfully (Keen and Williams, 2013). Traditionally, investments are usually needed for establishing a business and was considered to be a strategic barrier to entry. However, with the internet and newer mobile technologies, new ways of doing business have been offered, such as e-commerce. Usually, with e-marketing, the barriers to entry are not as high, and some argue that since the internet has reduced barriers to entry, this allows new entrants to have come into many industries (Porter, 2001). Despite the increase of e-marketing and its importance of a business model to an organization's success, consensus regarding its definition and meaning has been lacking (Kallio *et al.*, 2006). Researchers in the e-marketing area have depicted business models from different perspectives and Al-Debei *et al.* (2008), developed a business model suitable for e-marketing by analyzing previous literature of definitions of the business model in the information systems. Generally, there has been a confusion in the world of business, that it has experienced from traditional to digital ways of doing business (Al-Debei and Avison, 2017). In the world of traditional business, business strategy, and business processes are more merged due to the stable environment, low level of competition, and certainty (Keen and Williams, 2013). The traditional business process is also relatively simple and static and there are only limited ways of doing business. When it comes to digital business, a gap between business strategy and business processes has emerged and connecting these two together has become more challenging due to the dynamic IT-based business processes and there are now multiple ways of doing business (Sawy and Pereira, 2012). Furthermore, the aim of the business model is to help managers of digital businesses to experience more control in the company, as well as compete better with the appropriate and necessary information that the model provides (Sawy and Pereira, 2012). The level of information that the model provides, should furthermore, extend to the managers knowledge of how to adapt their business to their business model including strategy and processes to deal with uncertainties and changing environments. By no means is the business model completely independent, as it correlates with business process and the strategy, and by that it creates a unique strategic operational mix (Al-Debei and Avison, 2017).

4-Ps of Marketing and the Opportunities Arising During Covid 19

Businesses have traditionally made strategic marketing decisions based on the four Ps: product, place, price, and promotion, and the virtual value chain can have an impact on the traditional four Ps of marketing (Singh, 2012). When it comes to products, the virtual value chain can bring multiple options to customers to customize products and services, for example by ordering through a credit card and download the necessary information (Morris, 2009). The firms may also acquire information from their suppliers electronically and therefore be automatically transferred to the customer's computers (Constantinides, 2010). Another way a virtual value chain can enhance the product offering is by providing additional information about the products and quick customization of products. The place can be enhanced by the virtual value chain by offering the advantages of "just-in-time access" to different value chain activities (Constantinides, 2010). Customers can directly download digital products/services and directly check the location of their orders. When it comes to price, the virtual value chain offers different options on products and services to a customer and extra value can be added by the customer since they have the option of billing at different price options (Rayport and Sviokla, 1995). It also makes it easier for customers to compare prices of a similar offering by different companies. Lastly is promotion, and the virtual value chain can offer multiple venues to promote products and services. Virtually, promotion can be enhanced through audio, video, and graphics which also makes it easier to catch the customer's eyes (Bhatt and Emdad, 2001) ^[17].

Customer intimacy

In a virtual setting, customers are usually more willing to provide personal information than in physical settings, if the information is not misused it can enhance customer values (Turban *et al.*, 2000). This allows marketing firms to use the personal information collected to build long term relationships with its customers by, for example, emailing them about products and offerings of their choice. A virtual value chain activity that goes through customers and suppliers can be enhanced through feedback, interests, and concerns from customers (Rayport and Sviokla, 1995). The process of doing this also raises the quality of the offering from the company, and at a lower price than if it would have been conducted in a traditional way, such as costly traditional marketing surveys (Wiersema and Treacy, 1993).

Information intermediaries

Bhatt and Emdad (2001) ^[17], explains that a “virtual value chain can play a major role in disintegrating many physically based intermediaries while bringing forth new kinds of information intermediaries”. The intermediaries can have an important role when it comes to “mixing and matching” the needs of different customers, customizing products, and connecting to them to meet the customer's long-term demands (Lee and Cho, 2005). This means that the first connection in the virtual value chain becomes the interaction with the site of an information intermediary, for the customer. By dealing with this information, customers can do a “one-stop shopping” of different products (Womak, 2002). An information intermediary can collect products/services from different companies and then sell them to customers by bundling or unbundling these products/services (Rayport and Sviokla, 1995).

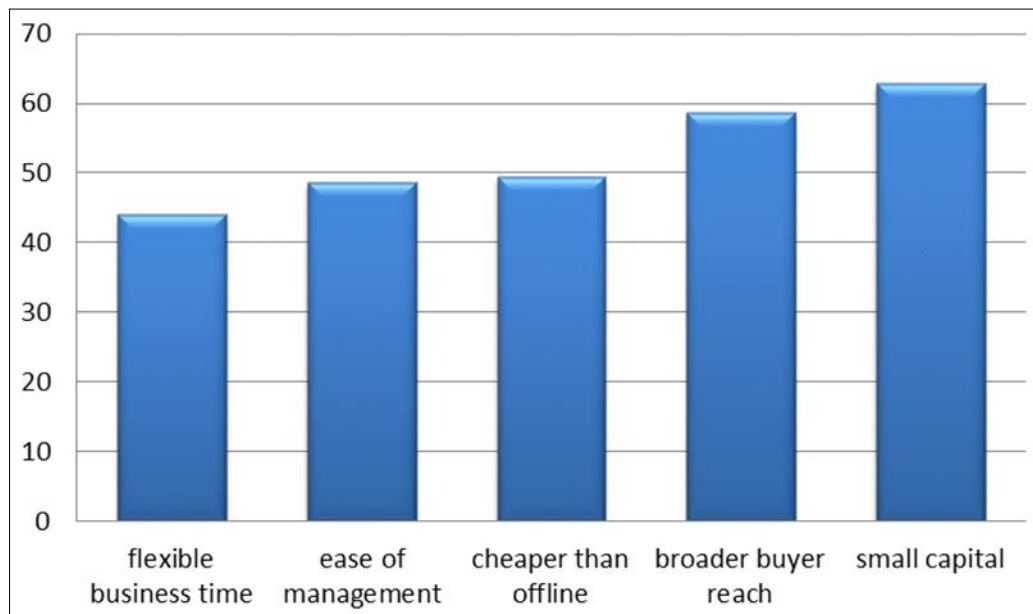
Research Method

A research method is a way of conducting and implementing research and researchers will handle multiple problems and apply them to research methods to gain the best guess answers to their questions (Adams *et al.*, 2014). This study adopt qualitative research approach. Qualitative research refers to the usage of several methodological approaches based on diverse theoretical principles (Adams *et al.*, 2014). It implements methods of data collection and aims towards the exploration of experiences and describes variation in situations (Kumar, 2014). Furthermore, it is a way of learning about social reality and can be used to study a wide array of topics (Leavy, 2014) ^[4]. A qualitative research method is more suitable for this study since the purpose is to explore the impact of Covid 19 on the performance of marketing programmes. Qualitative research allows the authors to conduct an in-depth analysis and understanding with different perspectives from the respondents (Leavy, 2014) ^[4]. In a qualitative study the primary data is mostly collected through interviews with different respondents who are relevant to the subject (Kvale and Brinkmann, 2008). However, there is always the possibility of the choice of methodology to create complications with generalizing the findings. The primary data collection could not be extensive enough to connect the results to all firms active in the chosen field (Bryman and Bell, 2016) ^[1], and therefore, the qualitative approach is the most suitable for the study.

Results and Discussion

Based on Statista data, Nigeria is fast joining the leagues of nations with large presence of online buyers. Indonesia is included among the ten countries with the largest internet users in the world. Indonesia is ranked fifth with 143.26 million internet users as of March 2019. This figure has a slight difference of 5.8 million with Brazil, which has 149.06 million internet users. As for the top-ranking obtained by China with a total of 829 internet users million. The second rank has quite a difference with China up to 269 million, namely India, with 560 million internet users. The United States (US) followed with as many as 292, 89 million internet users. As information, Statista said, there were 3.49 billion internet users worldwide. The distribution of internet users in East Asia is the largest, namely up to 923 million users. Statista 2019 data also shows that internet users in Indonesia in 2018 were 95.2 million, growing by 13.3% from 2017, which was 84 million users. In the following years, internet users in Indonesia will increase with an average growth of 10.2% in the 2018-2023 period. In 2019 the number of internet users in Indonesia was projected to grow by 12.6% compared to 2018, which is 107.2 million users. In 2023, the number of internet users in Indonesia is projected to reach 150 million users (<https://databoks.katadata.co.id/>). The Global Web Index notes that Indonesia has the highest level of e-commerce users in the world. The report released by We Are Social states that 96% of internet users have searched for products or services to be purchased online. As for visits to online retail stores or related sites, 91% of total internet users have been visited. Internet users also pay for products or services online at 90%. In sequence, they make online payments via cellphones and laptops or computers at 79% and 29%. The high level of usage is not directly proportional to the value of the e-commerce market in Indonesia. Because the market value in the country is still relatively low compared to the world average, on average each internet user in Indonesia spends the US \$ 89 dollars to shop on e-commerce, that figure is still below the average world internet user of US \$ 63. According to Techopedia (2010), Online Marketing is a collection of powerful methodologies and tools used to market products and services via the Internet. According to Dolan, Conduit, Fahy, & Goodman, (2017), online marketing (online marketing) is increasing content and changing the way individuals and organizations interact. Online marketing, commonly known as Internet marketing and digital marketing, can also be defined as the process of promoting a brand, product or service via the Internet (Tan *et al.*, 2013). Digital marketing can provide benefits such as growth in potential, reduce expenses, provide elegant communication,

better control, improve customer service and provide competitive advantages. Businesses need to ensure their processes are aligned with technological advancements. If it fails to recognize the potential benefits of online marketing, it can cause a loss of productivity, income, and communication (Cheng & Liu, 2017). To maintain excellence, increase revenue and communication, businesses must plan to meet customer needs and ensure innovative technology strategies are implemented (Cheng & Liu, 2017). Based on the research results of the Institute for Economic and Community Research (LPEM), Faculty of Economics and Business, University of Indonesia revealed there are five reasons traders choose to sell online or e-commerce. In figure 1, shows the highest reason sellers have more flexible business time, which is as much as 63%. Besides, as many as 58.69% of sellers said there was an ease in running and managing a business online. Besides, the cheapness of selling online compared to opening an offline store was the third attraction that made sales choose to sell online, which was 49.52%. The seller also felt that when selling online, the reach of buyers became wider, namely 48.69%. Finally, as many as 44% said, selling online only requires a small capital.



Source: (<https://databoks.katadata.co.id/>)

Fig 1

Conclusion

The findings of this research show that marketing activities have been greatly affected by the outbreak of Covid-19 and this demands marketing manager to compare the actions with other firms in order to make better decisions. These findings can provide another point of view for managers to understand processes from other responses. From the conclusion, marketing firms have been affected dependent on their current digital business environment. Due to certain experiences of firms occasioned by Covid-19, some firms have made changes and efforts than others and this has paid off. By obtaining an understanding of the present situation, marketing firms can have issues to operate as usual during the Covid-19. However, due to social distancing, marketing firms have realized that they can keep marketing mix elements operational and ongoing through digital platforms.

Recommendation

Sequel to the findings and conclusions of this study, the authors recommend and suggest that marketing firms should analyze the external environment and how it could affect them now or in the future. By firstly analyzing and monitoring the external impact, marketing firms can act in a more prepared way by making sure that they always have more products in warehouse. The authors also suggest that marketing firms should put other digital platforms in place to widen the scope of online distribution of goods and services and which will offer more express delivery of goods to the arrays of customers. It is always better to be more prepared rather than unprepared, even if operating on a digital platform which at times can even bring digital advantages.

References

1. Bryman A. Social research methods Fifth, Oxford University Press, 2016.
2. Bryman A. Social Research Methods 3rd Ed., Oxford University Press, 2008.
3. Bryman A, Burgess B. (Eds.). Analyzing Qualitative Data, London: Routledge, 1994.
4. Leavy P. The Oxford Handbook of Qualitative Research, USA: Oxford University Press, 2014.
5. Abdin MD. Doing Businesses During COVID-19 Crisis and Afterwards. [online], 2020. Available at: <https://ssrn.com/abstract=3577715>. [Accessed 2020-04-16].

6. Al-Debi MM, El-Haddadeh R, Avison D. Defining the Business Model in the New World of Digital Business, 2008. [pdf] Available at: <https://aisel.aisnet.org/cgi/viewcontent.cgi?article=1350&context=amcis2008>. [Accessed 2020-04/14]
7. Aliche K, Azcue X, Barriball E. *Supply-chain recovery in coronavirus times- plan for now and the future*. [online], 2020. Available at: <https://www.mckinsey.com/business-functions/operations/our-insights/supply-chain-recovery-in-coronavirus-times-plan-for-now-and-the-future> [Accessed 2020-04-04].
8. Fernandes N. Economic Effects of Coronavirus Outbreak (Covid-19) on the World Economy. [online], 2020. Available at: <https://poseidon01.ssrn.com/delivery.php?ID=EXT=pdf>. [Accessed 2020-04-05].
9. Fleming K. Optimizing the ecommerce fulfilment experience in luxury retail during a pandemic. [online], 2020. Available at: <https://www.digitalcommerce360.com/2020/17/optimizing-the-ecommerce-fulfillment-experience-in-luxury-retail-during-a-pandemic/>. [Accessed 2020-05-03].
10. Fraser D. Coronavirus effects on the markets-the week of economic contagion. [online], 2020. Available at: <https://www.bbc.com/news/uk-scotland-scotland-business-51888442>. [Accessed 2020-04-03].
11. Frost, Sullivan. Coronavirus Outbreak Aerospace Industry Fights Back with Business Mitigation Strategies.[online], 2020. Available at: https://go.frost.com/GL_PR_ADS_Corona_VirusOutbreak_Feb20. [Accessed 2020-04-03].
12. Holman J. Americans Adopting E-Commerce Faster Than Ever Amid Pandemic. [online], 2020. Available at: <https://www.bloomberg.com/news/articles/2020-03-31/americans-adopting-e-commerce-faster-than-ever-amid-pandemic>. [Accessed 2020-04-03].
13. Nee Lee Y. 6 charts show the coronavirus impact on the global economy and markets so far. [online], 2020. Available at: <https://www.cnbc.com/2020/03/12/coronavirus-impact-on-global-economy-financial-markets-in-6-charts.html> [Accessed 2020-04-03].
14. Porter H. Online shopping in the age of the coronavirus. [online], 2020. Available at: <https://search-proquest-com.proxy.lnu.se/docview/2377438497/fulltext/222344BE45E34558PQ/1?accountid=14827>. [Accessed 2020-05-02].
15. Sing S. Impact of the Coronavirus on Business. [online], 2020. Available at: <https://www.forbes.com/sites/sarwantsingh/2020/03/02/impact-of-the-coronavirus-on-business/>. [Accessed 2020-04-03].
16. Sterling G. Coronavirus and e-commerce: it's complicated. [online], 2020. Available at: <https://marketingland.com/coronavirus-and-e-commerce-its-complicated-277480> [Accessed 2020-04-03].
17. Bhatt GD, Emdad AF. An analysis of the virtual value chain in electronic commerce. *Logistics Information Management*,2001;14(1/2):78–85.
18. Constantinides E. The Marketing Mix Revisited: Towards the 21st Century Marketing. *Journal of Marketing Management*,2006;22:3-4:407-438.
19. Morris N. Understanding Digital Marketing: Marketing Strategies for Engaging the Digital J *Direct Data Digit Mark Pract*,2009;10:84-387.
20. Roosendaal HE, Huibers TWC, Geurts PATM, Van Der Vet PE. Changes in the value chain of scientific information: economic consequences for academic institutions. *Online Information Review*,2003;27(2):120-128.
21. Honline MP. Outbreak: 10 of the worst pandemics in history. [online], 2020. Available at: <https://www.mphonline.org/worst-pandemics-in-history/>. [Accessed 2020-04-04].