

## MARKETING PRACTICES AND STRATEGIES IN THE COVID-19 ERA

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### Abstract

The greatest challenge to the world since World War II came in the name of corona virus, codenamed COVID-19 by the World Health Organization (WHO). The pandemic distorted business and business processes, the health and wealth of nations as well as that of individuals. Before COVID-19, people's life revolved around going to office, shopping malls, grocery stores, restaurants, sports etc. But following the lockdowns and mobility restrictions occasioned by COVID-19, this normal was distorted. Hence, consumers have to adapt working from home, learning from home, shopping from home etc. Marketing as a business function that generates revenue that sustains organizations has to fashion out strategies that will help in sustaining business transactions. These strategies revolve around the marketing mix - product, price, place and promotion; otherwise called the 4Ps. This paper therefore x-rays different strategies and practices that were either given birth to or accentuated by COVID-19 and finally recommend the increased usage of some of them due to their benefits to both businesses and their customers.

**Keywords:** Marketing Strategy, COVID-19, Product, online channel, multi-channels

### Introduction

Marketing environment has been described as the surrounding conditions within which marketing activities are designed and implemented (Obiesie, 2016). It is the totality of forces and institutions that are external and potentially relevant to the firm (Kotler & Keller, 2009). Some of the characteristics of marketing environment includes; dynamism and also constantly generating changes that may be favorable or unfavorable to the business and firms. Additionally, it is in a way unique to each business or organization because an environmental change which brings opportunity to one enterprise, may be disadvantageous or completely irrelevant to another ( Agbonifoh, Nnolim, Ogwo & Ekerete, 1998 in Obiesie 2016).

Therefore, the relevance of these environmental forces to an organization is that they are capable of creating opportunities or posing threats to the organizations. These opportunities and threats can better or batter an organization. Threats and opportunities come in different forms, so, marketers have to be alert so as to spot them. In the words of Kotler and Keller (2009), opportunity and threat have been respectively described as; “A marketing opportunity is an area of buyer need and interest that a company has a high probability of profitably satisfying” while, “An environmental threat is a challenge posed by an unfavourable trend or development that would lead, in the absence of defensive marketing action, to lower sales or profit.” Naturally and instinctively, the strategy has been to strive toward major opportunities and away from threats (Obiesie, 2019).

Corona virus codenamed COVID-19 by World Health Organization (WHO) was first reported in December 2019 in Hubei province in China and was declared a pandemic in March 2020 due to its rapid spread round the world. Here in Nigeria, the first reported case of the virus came on February

27, 2020 as an Italian who visited Nigeria tested positive to the virus in Lagos. A second case followed on March 9, 2020 at Ewekoro in Ogun state which happened to be a Nigerian that had contact with the Italian (the index case). From thence, the spread was as rapid in Nigeria as was in other Climes, leading countries round the world into health crisis, and the attendant negative impact on the social, economic, business and commercial planes visibly obvious even to the blind. The hardship and disconnects brought about by the pandemic brought a lot of challenges to many sectors including the business sector. Economies of countries and businesses were shaken; modes of transaction and interaction were altered, forcing businesses to re-strategize so as to remain afloat financially and competitively.

Like every other environmental occurrence/factor, its effect on businesses are not the same: some have edges over others as it provides opportunity for some to soar higher and threats/holes for some to fall in. Just as the maxim "one man's meat is another man's poison" and a very far place for some people is a very near/close place for other people. This, therefore call for different strategies for different businesses.

### **Marketing Strategies**

Marketing strategy is a scheme whereby an organization decides how to position itself in a manner that permits it to gain advantage over competitors - ie. a means to achieving competitive edge/advantage. In the words of Brassington and Pettitt (2006), it is a broad marketing thinking that will enable an organization to develop its products and marketing mixes in the right direction, consistent with overall corporate objectives. Kotler (2004) sees marketing strategy as a consistent, appropriate and feasible set of principles through which a particular company hopes to achieve its long-run customer and profit objectives in a particular competitive environment. Marketing strategy is the statement of how the company is going to accomplish its marketing objectives. It is the total directional thrust of the company that is; the "how to" of the marketing plan and is determined by the particular blend of the marketing mix elements (4Ps) which the company can control (Bovee & Arens, 1992)

It refers to a business' overall game plan for reaching prospective consumers and turning them into customers of the products or services the business provides (Santoki & Parekh, 2020).

Being a grand design for achieving objectives (Obiesie, 2016), it should contain the company's value proposition, key brand messaging, data on target customer demographics and other high level elements (Barone, 2020).

Generally marketing strategies usually revolve around the elements of the marketing mix. So depending on any situation on ground, by tweaking the elements of the marketing mix, marketers adjust their offering to meet and satisfy the needs and requirements of their target market. In all, what they (marketers) seek is a strategy and mix that guarantees synergistic result.

### **Marketing Practices and Strategies in COVID-19 Era**

COVID-19 seems to be the greatest crisis/challenge facing the world since the Second World War. The effect on individuals, businesses/organizations, economies and countries alike is tremendously disastrous. Before the advent of COVID-19, consumer's life revolved around going to office, shopping malls, grocery stores, restaurants, gyms, movies, sports etc. But in the face of COVID-19 with attendance lockdowns and mobility restrictions, consumers have to adapt working from home, learning

from home, shopping from home etc (Santoki and Parekh, 2020). Marketing as a business function that generates revenue for both government and businesses/organizations and as well a stimulator of aggregate demand (Obiesie, 2016), must stand up to its duties by coming up with some tactical and strategic options to successfully wade through the crisis. Because the impact is not the same on all businesses, the approach/strategy to wade through should vary. Thus, some strategies should be innovative, some consolidation, while others according to Santoki and Parekh (2020) should be; resilience, empathy and agility.

COVID-19 gave birth to/ or popularized some new marketing strategies, these include; creative marketing strategy which according to Spacey (2017) is the process of selling things using creative talent in the areas of design, art, music, architecture and interior designs. Another offshoot of the pandemic is Digital marketing. Digital marketing is the use of the Internet, social media, mobile devices, search engines, and other channels to reach consumers (Santoki and Parekh, 2020).

Thus, we will look at the strategies/practices that got accentuated by the pandemic vis-a-vis product, channels, price and communication.

### **Product**

Crisis period calls for thinking outside the box so as to come up with ideas that will help redefine the organization's product portfolio aimed at attracting and satisfying new customers as well as retaining existing ones and ultimately boost profitability. This include; increasing products width and depth (assortment) via various forms of diversification strategies such as;

- **Concentric diversification;** This consists of a business/company seeking to add new products that have technological and/ or marketing synergies with the existing product line: these products ideally will appeal to new classes of customers (Kotler, 2004)
- **Horizontal diversification;** Here the company seeks to add new products that could appeal to its current customers though technologically unrelated to its current product line (Kotler, 2004; Obiesie, 2018).
- **Conglomerate diversification;** This according to Kotler (2004) occurs when a firm adds new products for new classes of customers either because such a move can offset some deficiency or because it represents a great environmental opportunity. The product added nonetheless has no relationship to the company's/ firm's current technology.

**Scrambled merchandising;** This is a “strategy/practice of carrying dissimilar lines in attempt to generate added volumes” (Boone and Kurtz, 2004). Scrambled merchandising is the practice by wholesalers and retailers that carry an increasingly wider assortment of merchandise (bplans.com, 2019). It therefore occurs when a shop sells goods that are usually sold by another type of shop in order to increase profits or attract new customers. For example, a food shop might start to sell some types of clothing (*Financial Times*, 2015). In the words of lumenlearning.com (2016), scrambled merchandising refers to a retail tactics in which retailers broaden their assortment to include items that are generally outside their focus or are usually sold in different retail format. This practice gained ascendancy during the peak of COVID-19 (Obiesie & Igwenazor, 2021).

Instances of all these applications currently, as captured by Hoekstra and Leeftang (2020) are as follows;

- DSM, a manufacturer of plastics and nutritional products, now produces

facemasks, as does Auping, a manufacturer of mattresses.

- A dry cleaner that uses disinfection cabinets to disinfect clothes has established a new company in partnership with other market players to manufacture disinfection cabinets. These are subsequently sold to hospitals.
- Hooghoudt, a distiller of alcoholic beverages such as jenever and lemonade syrups, now also produces hand sanitizer.
- In Italy, artificial snow cannons have been re-purposed as aerosol machines for disinfection.
- Many restaurants have developed take-away services. An upscale Seattle-based restaurant has transformed into three pop-up restaurants: a drive-through burger restaurant, a bagel shop and a family meal delivery service.
- The delivery service Deliveroo, which primarily handles restaurant orders, now also delivers products from Marks and Spencer.

### **Channel (distribution) Strategy**

As a result of the different degrees of mobility restrictions, ban on social gatherings, social/physical distancing brought about by the COVID-19, how to get products to consumers became somewhat a major problem for some firms and industries as distribution became limited. Some company's were forced (temporarily) to close their doors at the peak of the pandemic. Therefore, a tendency to shorten the supply chain becomes inevitable. Firms in the hospitality industry such as restaurants that were badly affected by the mobility restrictions occasioned by COVID-19 reinvented take away services to stay afloat. Similarly, online channel came alive. Many company's now adopt multi-channel strategy (online and offline combined) to see their product/offering reach their target market. Multi-channel strategy is usually very rewarding revenue-wise (Paulvels and Neslin, 2015) as well as share of wallet (Melis et al, 2016). Online marketing strategies came alive and prominent in the face of COVID-19.

Many firms and stores alike now offer digital sales advice via WhatsApp, Face- Time, etc just as concerts and theatre performances are being streamed live (Hoekstra & Leeftang, 2020). The authors note that Companies without their own online channel now offer products online by making use of existing platforms. In the United States, this is occurring on a massive scale via platforms such as Podia, Sellfly and Sendowl. Services such as seminars, education and consultancy services are also being distributed via these platforms. Many people have not heard of some online platforms like Zoom before Covid19. But now it is commonly in use by companies, educational bodies, churches etc for meetings, conferences and seminars. The use of online channel has enhanced customer acquisition as it allows companies to collect data about new customers, profile them with the aim of serving them better.

### **Price**

Price is so important to a marketer because it affects both the quantity/volume of sales a company makes and the amount of money it earns (Obiesie, 2018). It is as important to the seller as it is to the buyer. Therefore, it is a marketing instrument that is used with great care in crisis period (such as; COVID-19). This is because the price sensitivity of consumers (buyers) increases during such period of contraction (Van Heerde et al, 2013). In a period as we now have, the questions according to Hoesktra (2020) are; how unique is the product? , how important is it to the consumer? Etc. Generally, people will not be happy if they have to pay much without getting corresponding value (Hunneman, 2020).

Therefore, all now boils down to providing products that offer value for money. Because the pandemic decimated the purchasing power of consumers, a lot of promotional pricing strategies are adopted to encourage purchases and loyalty of buyers. These include various forms of discounts, gift offers and services in addition with the product. Many other forms of price deals are being extensively used.

### **Communication (promotion)**

Knowledge is power; and the only marketing mix variable that creates this power in consumers is communication (promotion) (Obiesie, 2014). According to Obiesie (2017), as an element of the marketing mix, promotion is the one mostly visible and loud in all forms of business (profit and non-profit). Pricing and distribution may be silent or downplayed in some non-profit organizations, but promotion is an element they utilize to the fullest degree. Consider schools, governments, churches, political parties and their activities. To attract students, schools utilize promotion a lot; the government at all levels use various forms of promotional techniques to familiarize the people with and/or popularize their programmes and policies. Churches on the other hand embark on crusades and many forms of outreaches to win converts and propagate the gospel; so also do political parties adopt rallies, meetings and gifts to win votes. Therefore, promotion is any marketing effort whose function is to inform or persuade actual or potential customers/the firm's publics about the organization, its products, ideas and/or activities.

Because the impact of COVID-19 is not the same on all businesses, different firms in different industries adopt different communication strategies to ensure survival/growth. While some reduced their advertising expenses due to lean purse, some like Fast Moving Consumer Goods (FCMG) manufacturers and network providers increased theirs due to either the wide array of their products or their daily use.

However, on a general note, communication in this era is directed less at acquiring new customers, instead, most companies are devoting greater attention to their existing customers (Hoesktra, 2020).

**Combination of Channels:** There is massive shift of emphasis to the combined use of classical and social media. This is because they provide greater synergistic opportunities (Devries et al 2017). The use of emails to send personalized ideas has also gained more credence, this is because one-to-one communication is most effective (Steiner, 2020). Due to mobility restrictions and social distancing, there is a shift to less outdoor adverts, more online, television and radio adverts (Hoesktra and Leeftang 2020). Marketers realize that supporting brands with adequate communication in crisis period will enable them reduce brand switching by their customers. That is why promotional effort seems to be on the increases in this era.

### **Conclusion**

Desperate situations usually demand desperate solutions, just as necessity is said to be the mother of invention. The challenge posed by COVID-19 has either given birth to new marketing strategies and practices or strengthened some hitherto unpopular strategies. In search for stability and value, digitalization became more prominent and important to marketers. Services such as Zoom and Google have stepped in to ensure that employers, employees, business customers and publics continue to interact seamlessly.

Additionally, the burden posed by social distancing is thus obviated via online shopping and delivery of goods and services. This has brought enormous volume of business conducted through this mode, and, businesses and their customers are the happier for it.

### **Recommendation**

Before COVID-19, consumers and their behavior were very much more predictable. The coronavirus pandemic brought a lot of distortions in the marketing environment. Therefore, it behooves marketers to discover some winning strategies that will be mutually beneficial to the organization and their customers. Bearing in mind that if marketing fails, the whole organization fails, we therefore recommend action on the following areas;

- Continuous use of multi-channel strategy (online and offline) since this approach offers more synergy in terms of sales and profit and availability of products and services to consumers.
- More digitalization of the buying and selling process since this provides not just safety but convenience to all parties as well.
- Combination of classical and social media in marketing communication should be encouraged and upheld because of its benefits.
- Price should be handled with utmost care because in a period of contraction such as COVID-19, price sensitivity of consumers is usually on the increase.

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