Preface

In the last few years, the business environment has been characterized by strong economic crisis. The Euro zone countries are in an economic “nervousness.” Countries such as Greece, Ireland, Spain, Portugal, Cyprus, and Italy are in a recession, while northern European countries such as Germany, The Netherlands, Austria, etc. and the USA are situated in strong economic “nervousness.”

The global financial crisis continues to be a severe shock to most enterprises and has affected organizations significantly. The initial economic downturn, the worst since the Great Depression, has affected almost all sectors of the economy.

The viability of businesses may depend on their ability to identify and respond to trends and opportunities presented and threatened by their external environment; yet, smaller firms have little ability to shape their macro-environment. Successful firms may be those that recognize potential threats and through adjustment convert them into opportunities.

In this fragile economic environment marketing called upon to play a dominant financial and social role. Moreover, in times of crisis there may be a lack of marketing strategy to cope with a turbulent environment where crises lurk around every corner. Different levels in information and knowledge society and, in particular, the network economy have acknowledged the significance of the role of Strategic Marketing. Therefore, it is important to understand how Strategic Marketing is manifested and how it can be enhanced at various levels in organizations in Fragile Economic Conditions. Every organization private or public that has felt the pain would do well to ask:

- What can one reasonably expect in such a climate of crisis?
- What role can marketing strategy play in shaping responses?
- Do organizations with well-established marketing strategy processes fare better than those that are primarily opportunistic?

New marketing tools such as e-marketing, mobile marketing, social media, etc. have developed in the third industrial revolution. Therefore, researchers, academics, and practitioners have to develop new ideas about how they can use all these tools in order to bring a new economic equilibrium between firms and consumers in the global environment.

Many firms lack expertise and management skills. Many businesses do not have the resources to implement marketing strategy, and in particular, require flexibility, self-sufficiency, and trust with their partners. However, strategy is often more implicit than explicit, so that leadership and management skills become extra important. Barringer and Greening (1999) identified that successful firms engaged
in marketing strategy and those that failed did not, and that it is an important factor in business performance. Effective firms were those that were flexible, participative, and adaptive.

Organization with the most commitment to marketing strategy made critical decisions and were better able to pursue growth opportunity during the crisis, as they were more confident about their prospects. An organization’s trust and confidence in marketing strategy as a decision making discipline is a strong indicator of potential success, allowing businesses to take advantage of growth opportunities as they appear in times of economic disruption. Moreover, linking strategy directly to resources and performance measures and having more direct leadership involvement in the process are well-accepted ways to encourage an organization’s embrace of strategic marketing.

THE CHALLENGES

In order to be able to lead organizations through crises, executives need to have knowledge about the structures and processes they introduce with the goal of maintaining the organization’s capacity for action. However, many organizations are not aware of this fact. These concepts also include a lot of well-founded knowledge about what customers need in the time of crisis. Executives can also use this knowledge during crises or during change processes.

One of the most important topics does not get addressed openly within most organizations: the joint leadership performance. Leadership is not an individual process, but rather a form of cooperation with mutual interdependencies. All executives can jointly ensure that the information gets to the right places, that decisions are made within the allotted time frame, and that performance can be achieved within the organization as best as possible. The more pronounced this taboo is, the more difficult it will be to correct decisions quickly and to adapt to rapidly changing circumstances.

Because the current crisis is an event that requires extra resources, organizations often rely on social relational networks made up of many interconnected relationships in order to acquire resources for their survival (Lin, 2002).

Lee et al. (2009) state that sudden change can offer benefits to companies that have invested in and developed flexible capabilities and resources.

In the last two decades, the study of “trust in business and industrial marketing has experienced phenomenal growth,” recognizing trust as central to business marketing. Trust is important and useful in a range of organizational and inter-organizational activities (Elangovan, et al., 2007). The study of trust in external buyer-seller relationships has also received much more attention and firmly anchors the belief that trust is an essential part of long-term and value-adding marketing relationships. In this context, and in the context of the resource-based view of the company, good internal trust organizational relationships (with employees) and trust external organizational relationships (with customers, suppliers, etc.) may be seen as a key company resource and source of competitive capabilities. That high-loyal relationships between employers, employees, customers, and suppliers lead to long-term commitment and long-term contracting, and may be seen as a way out of critical situations and crises. Thus, some companies may even view a crisis as an opportunity to change and build a competitive advantage (Lee, et al., 2009). The motives for building and engaging trust and loyalty in new inter- and intra-company relationships, while redesigning existing ones, may be the result of external challenges and/or internal needs (Ballantyne, 2003).
When linking internal contexts (HRM, internal marketing, and innovations) and external contexts (market orientation and customer expectations) that are characterized by a turbulent economic environment, various organizational processes face different pressures to change and adapt to new circumstances. In this context, with their focus on creating value-adding, trusting, and long-term relationships with all types of “customers,” marketing strategy processes are under even greater pressure because they are focused on both satisfying “internal customers” (employees) and external customers (e.g. buyers, suppliers).

SEARCHING FOR A SOLUTION

During the economic downturn, many people are looking for value (saving money, products that last long), rather than luxury. Expect growing demand for retail outlets that offer well-made, basic things at low cost.

Marketing strategy will struggle to meet the challenge of online communities. Most consumers trust the opinion of friends and strangers more than official advertising. That is why online communities become so powerful. You can type in the name of a hotel into Google, but if the comments by people who stayed recently are awful, you are not likely to believe the claims on the hotel’s own Website, so future marketing strategies will look for ways to encourage positive news and word-of-mouth in order to spread the brand online.

The rapid growth of technology has brought about the adoption of electronic processes in the firm’s production, e-marketing, and mobile marketing, where advertising is triggered by where you are or by what you are doing. It could be a special offer arriving in your mobile phone, for example, just as you are walking by a restaurant, or advertising while you are surfing the Web, which is linked to lifestyle choices you have made in the past (Mavondo, et al., 2005).

In a crisis, people return to brands they know, and that will be a key theme as well as value for money. Budgets for marketing will be reduced and companies will look for more cost-effective ways to reach their target audiences. In a turbulent economic environment with increased organizational uncertainty, innovation relies on the acquisition and exploitation of new knowledge in which external ties as sources of diverse information may be vital to any innovative activity (Jiminez, et al., 2008). On the other hand, quality perceived by the customer that can be defined as a customer’s judgment of a product’s excellence as well as customers’ perceptions of price are often considered the most crucial determinants of their behavior and final product choice. Jimenez et al. (2008) found that quality generates customer loyalty and that the impact of market orientation on performance is mediated by innovation through the Web. In sum, we suspect that there is also a positive relationship between e-marketing strategy and performance in a crisis because companies with information technology capabilities will be able to respond to environmental change and challenge faster and in a better way than their counterparts. E-marketing strategy is thus becoming important as a means of survival.

One simple truth is the key to all marketing strategy in fragile economic conditions:

- Building trust is the big value, the key to selling in an economic crisis
  - **Satisfy Customers**: Value (perceived quality/perceived cost)
  - **Strengthen Community through Social Marketing**: Your neighborhood, city, nation
  - **Strengthen the Web Presence**: Through e-marketing and social media
  - **Sustain The World**: Life on earth, environment, your own world
This book identifies the effect that suspected drivers of success in marketing strategy during the economic crisis would have on key outcomes. The drivers examined through this chapter include:

- **Structure**: Does your organization have a structured marketing strategy with great leadership involvement?
- **Embrace**: Does your organization use marketing strategy to truly shape the future and to allocate resources?
- **Reliance**: Has the marketing strategy been highly effective and important in your organization during the economic crisis?

Areas of improvement based on organizational experience are identified in the book:

- **Enhancing of strategic thinking**: Place more emphasis social marketing, and build customer loyalty and trust.
- **Make a stronger conjunction to resource allotment**: Ensure that marketing strategy allocates capabilities and resources to manage complexity.
- **Increasing leadership participation**: More visibility and direct involvement in the organizational trust and knowledge by senior leaders.
- **Improve strategic action**: Enhance operational execution through better change and performance management through e-marketing as well as overall communications through word of mouth.

This book will aim to provide relevant theoretical frameworks and the latest empirical research findings in the area. It will be written for professionals who want to improve their understanding of the strategic role of trust at different levels of the information and knowledge society, that is, trust at the level of the global economy, of networks and organizations, of teams and work groups, of information systems, and finally, trust at the level of individuals as actors in the networked environments.

The target audience of this book will be composed of professionals and researchers working in the field of information and knowledge management in various disciplines (e.g. library, information and communication sciences, administrative sciences and management, education, adult education, sociology, computer science, and information technology). Moreover, the book will provide insights and support executives concerned with the management of expertise, knowledge, information, and organizational development in different types of work communities and environments.

**ORGANIZATION OF THE BOOK**

The book is organized into 15 chapters. A brief description of each of the chapters follows:

Chapter 1 examines customer loyalty across the supply chain during the economic crisis in Greece. The importance of this study lies in the fact that no sufficient literature exists relating to the impact of the current financial crisis on customer loyalty across the supply chain.

Chapter 2 researches corporate ownership in Japan and focuses on corporate networks: horizontal and vertical *keiretsu*. The research examines the Japanese organisational structure and presents a review of the main stages of the change that has affected vertical *keiretsu*, together with the factors that have contributed to this change. Finally, the chapter analyses the evolution of trust within *keiretsu*. 
Chapter 3 examines how public trust can be transformed into customer retention initiatives, and thereby, public sectors can regain their market position. Relying on the best practices and data from Edelman Trust Barometers and World Bank, the chapter addresses the trust deficit concerns. The research identifies the sources for creation of trust deficit in public sectors across the world.

Chapter 4 examines the main criteria that influence customer satisfaction and its effects on a case bank. The study identifies the actions that banks take into account and analyse and the elements that can be improved in order to keep their customers satisfied and loyal during the economic recession.

Chapter 5 argues that in unstable business environments the integration of internal and external perspectives of strategy formulation is necessary for a firm to sustain advantages. The proposed model presents four stages of corporate strategy development: Scouting, Maintenance, Dominance, and Appraisal. The chapter describes their applicability by using two cases of companies that adopted similar long-run strategies.

Chapter 6 examines the challenge that businesses and consumers confront today in protecting and preserving the earth’s resources and the environment. Manufacturers and retailers are observing this trend and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. The aim of this chapter is to identify and analyze how eco-label can influence consumer buying behavior and awareness towards the various eco-labels in the Mumbai market.

Chapter 7 examines how marketing can partner with organisational leadership for a mutually beneficial exchange of skills and capabilities in order to be able to reinvent organisations rapidly enough to cope with shifts in the external business environment and create a sustainable future for the business.

Chapter 8 refers to small family businesses in Greece and examines the impact of their marketing strategy during an economic crisis period. The chapter shows how small family businesses indicate marketing strategy using Carson’s model.

Chapter 9 introduces the role of brand management in emerging markets, thus explaining the concepts of brand management system, corporate branding, brand performance, brand equity, brand awareness, perceived brand quality, brand association, and brand loyalty; the importance of brand strategy in emerging markets; and brand relationships toward effective brand management.

Chapter 10 aims to undertake empirical research investigating the nature and magnitude of the determinants of word-of-mouth behaviour from the point of view of service performance and post-purchase perceptions. A theoretical model linking service quality issues and word-of-mouth behaviour was developed and tested using structural equation modelling of 280 surveyed participants at various day spa locations.

Chapter 11 examines the internal market orientation in the food retail industry. One reason for this may be the difficulty of measuring its benefits in such a context. The service industry and business-to-business companies have remained at the forefront of studies into internal marketing due to the close contact between employees and customers in such companies.

Chapter 12 identifies the Internet growth in India, as it is increasing at an alarming rate, which is indicating a fast growth future for the many e-marketing companies in India. The young population of the country prefers the new technology. Young buyers of India prefer to buy online due to easy mode of transaction, preferred mode of payment, safe delivery, and effective after-sales service, in terms of return and refund policy.

Chapter 13 seeks to study the application of information technology status of tourism promotion, particularly through Internet with a future plan to develop this type of promotion. In the context of tourism management, this chapter penetrates different usage of Web technology to disseminate maximum level of information for tourism promotion.
Chapter 14 examines whether the changes that take place in the global business environment have modulated the way firms do business or whether it is simply transient details that have caused such excitement. Should firms be wary of any proclamations of “new” ways of doing business?

Chapter 15 presents the textile industry, which has completely changed over the last few years. New innovation products have been launched in the market. Electrotextiles is one of them: a new category of textile products that has conducting properties contrary of the traditional textile products but keeps the “textile” properties like softness, lightness, and “washableness.”

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REFERENCES


