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# An insight on marketing for marketing managers in post Covid 19 era

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**ABSTRACT:**
Consumer media and buying habits, as well as marketing activity and performance, have all been significantly impacted by the current pandemic-related economic slowdown. Over the past few decades, marketing research has shown how macroeconomic contractions impact consumer behavior and how organizations should adjust their marketing mix strategies in response. With the proper marketing-mix budget management, recessionary conditions can present possibilities for marketers to increase the market share of their brand. This is demonstrated in this study through a review of the pertinent marketing literature. Uncertainty and decision paralysis are regular occurrences in enterprises. Business executives are frequently confronted with both routine and specific situations. COVID-19, on the other hand, is not the first time we've had to deal with adversity. The literature claims that situations like pandemics and economic crises have compelled decision-makers to reevaluate their routines, tactics, and future plans.
**Keywords:** Marketing research, empirical generalization, covid 19, economic recession, business executives

## I. INTRODUCTION:

The recent coronavirus (COVID-19) has forced consumers all over the world to make urgent, significant lifestyle changes, and these changes are likely to last far longer than the pandemic's duration. The COVID-19 lockout and the ensuing economic downturn have caused an unprecedented crisis in the global retail industry (ER). COVID-19 is expected to cause the economies of France and a number of other countries to contract by 8% in 2020 (Statistica 2020). Retail sales in the United States fell by an unprecedented 8.7% in March, according to the National Retail Federation, and are expected to fall by (at least) 20% in the months to come.Faced with uncertainty about the future, many businesses are altering their marketing strategies to change consumer behavior in response to the crisis (The Nielsen 2020).Many companies, including Google, have lately declared marketing budget cuts of up to 50%, despite expecting to raise marketing investment from the previous year (CNBC 2020) before the pandemic, as they did following the ER of 2008.Over the last few years, marketing scholars have looked into the impact of ERs on consumer behavior and business responses to ERs.The current review aims to provide a roadmap to marketing managers on how to respond to the projected ER in the post-COVID-19 timeframe, based on existing empirical research.This article focuses on the control of marketing-mix spending during an emergency room visit.It's worth noting that this paper focuses mostly on the consumer (offline) retailing sector, while some of the findings can be applied to other industries.

The media and purchasing habits of consumers, as well as business marketing plans and outcomes, have all been significantly impacted by the current pandemic-induced economic downturn. Marketing research has helped businesses understand how consumer behavior is impacted by macroeconomic downturns and how to adjust their marketing mix strategies as a result over the past few decades. The recent coronavirus (COVID-19) has forced consumers worldwide to make quick, significant lifestyle changes, and these changes are likely to last far longer than the pandemic's actual duration. The COVID-19 lockdown and subsequent economic collapse have caused an unprecedented crisis in the retail industry around the world (ER). France's economy, along with those of a number of other countries, is predicted to experience an ER as COVID-19 could cause it to contract by 8% in 2020 (Statistica 2020). The National Retail Federation predicts that going forward; U.S. retail sales will fall by (at least) 20%. This follows a historic 8.7% decline in March. Many businesses are responding to the crisis by adjusting their marketing approach to altering consumer behavior as a result of the future becoming unclear (The Nielsen 2020). Many companies, including Google, have lately reported a reduction in marketing budgets of up to half. Prior to the pandemic, however, they anticipated an increase over the previous year (CNBC 2020), as they did before the ER of 2008. Over the past few years, marketing experts have examined how ERs affect customer behavior as well as how businesses react to ERs. The current review aims to provide marketing managers with guidance on how to react to the anticipated ER in the post-COVID-19 period by drawing on the empirical expertise that already exists in this field. In particular, the control of marketing-mix expenditures during an ER is the topic of this essay. Although some of these ideas can be applied to other industries, it is important to note that this paper's primary focus is on the consumer (offline) retailing sector.

**Impact of the COVID-19 Pandemic on Advertising and Marketing:**

The task of creating innovative and distinctive marketing strategies and tactics to assist the business in navigating this new normal will fall to many marketing and advertising departments. For brands, this entails managing market shifts brought on by the economic downturn, contending with increased competition brought on by consumers' and society's "new normal," addressing sustainability, analyzing brand reputation issues, evaluating operational options and challenges presented by strategic planning in an uncertain environment, and concentrating on creative amplification. These are even more crucial because COVID-19 will probably cause some advertisers' advertising budgets to decrease in 2020 as stores close and sales decline. For instance, one online rental property booking company announced that it would stop all marketing efforts in 2020 to save hundreds of millions of dollars. Many businesses have shifted their marketing budgets to purpose-driven marketing, mission-based marketing, and cause-related marketing to better meet consumers' growing media consumption while working from home. For instance, online video streaming has increased by 26%, online gaming traffic has exponentially increased on one telecommunications company's servers, and consumers' use of online food delivery and essential good delivery has increased significantly. 45 percent of global consumers are spending more time on social media. Because of this, many businesses may try to enhance their marketing strategies in order to better account for the rise in online transactions, communications, and in-person customer interactions.

**COVID-19 and the shift in consumer behavior:**

Most predictions suggest that there will almost certainly be a recession in the post-COVID19 period, though we must wait to see how the COVID-19 pandemic affects the economy in the long run (HBR 2020). According to marketing literature, consumers become more price-sensitive and risk-averse during an ER, and they reduce their spending, especially on durable goods (Deleersnyder et al. 2009). On the other hand, given how challenging it is to reduce non-durable consumer goods, ER may even have a positive effect on non-durable industries like consumer packaged goods (CPG) (Van Heerde et al. 2013; Lamey et al. 2007).As a result, consumers in the CPG sector are more inclined to switch to lower-cost alternatives (Lamey et al. 2007), lower-cost retailers such as discounters, or hunt for special-deal products (Lamey et al. 2012).

**Marketing spending during an economic recession:**

One of the most prevalent responses of marketing managers in an ER is to reduce marketing spending to the absolute minimum, mostly to safeguard short-term profitability (Deleersnyder et al. 2009).However, a growing body of evidence suggests that slashing marketing budgets isn't always the greatest option, especially if the goal is to save money in the long run.Srinivasan et al. (2005) conducted one of the first studies in this field, empirically demonstrating that proactive marketing methods in a recession result in greater firm performance during the recession.Recent academic studies have also backed proactive marketing strategies, with spending on marketing remaining the same or even rising during an ER visit (Dekimpe and Deleersnyder 2018; Deleersnyder et al. 2009; Lamey et al. 2012; Steenkamp and Fang 2011). The primary argument in favor of proactive marketing during a recession is that by keeping its marketing budget at the same level as before the downturn, a proactive company can gain a competitive advantage and market share as other businesses in the industry scale back their marketing efforts.

**Advertising:**

The majority of studies have repeatedly shown that maintaining, or even increasing, advertising spending during ERs frequently results in better market share and overall performance, despite the common practice of businesses cutting back on advertising during ERs (Dekimpe and Deleersnyder 2018; Lamey et al. 2012; Steenkamp and Fang 2011). (Dekimpe and Deleersnyder 2018; Lamey et al. 2012; Steenkamp and Fang 2011). There is less clutter because less competition advertises during an ER. As a result, in challenging conditions, a company should anticipate a greater impact on firm performance if it increases its advertising effort in comparison to rivals (i.e., increases its share of voice). Advertising elasticity will be greater in highly cyclical industries (e.g., durable goods). In highly cyclical industries, a drop in sales in an ER leads to a significant drop in clientele.These lost clients will return to the market if economic conditions improve.Advertising assists these newcomers in keeping their product knowledge up to date (Steenkamp and Fang 2011).Long-term advertising elasticities for the CPG category, on the other hand, are lower in a recession, suggesting that CPG firms should limit advertising during ER.This is due to the fact that less cyclical industries, such as CPG, have more temporal inertia and their sales are less affected throughout ER, allowing for fewer opportunities for big advertising effects (Van Heerde et al. 2013).

**Price:**

According to numerous studies, price sensitivity is largely counter-cyclical; it increases during economic downturns, particularly for essential commodities (such as CPG) (Dekimpe and Deleersnyder 2018). During an ER visit, customers reduce costs by choosing less expensive brands from the same category, such as private labels (Lamey et al. 2012). The market share of national brands is declining as a result of this gradual shift to private labels. As a result, national brands may think about increasing temporary price reductions (TPR) during an ER since this helps to lessen the appeal of private labels created by the downturn.Consumers react more strongly to price reductions during an ER, according to Van Heerde et al. (2013), who recommend that brand managers reallocate marketing funds from advertising to price reductions during ER, particularly in the CPG industry.However, some research suggests that only relative prices matter.This indicates that brands should keep a reasonable price differential between themselves and their competitors.As a result, if competitors raise their prices in a terrible economy, marketing managers may do the same (Deleersnyder et al. 2009).

**Research and development (R&D):**

The research findings on the influence of R&D investments during ER are congruent with the findings on advertising spending, since R&D investment is demonstrated to have a counter-cyclical trend.This suggests that raising R&D spending during an ER has a major beneficial influence on a company's performance, because to reduced competitive clutter once again (Steenkamp and Fang 2011).R&D spending during ERs, according to Van Heerde et al. (2013), result in stronger long-term gains in market share and profit, and R&D investment is even more effective than advertising during ER.In highly cyclical industries like durable goods, the difference in effectiveness of these devices is very obvious.As a result, if a company has a limited budget and must choose between continuing R&D or advertising during an ER, the data demonstrate that continuing R&D is connected with higher company performance.

**Launch of a new product**

Talay, Pauwels, and Meggie (2012) looked at the launch of new goods in the automobile sector over the course of 60 years and discovered that new products launched during a moderate recession had a better long-term survival rate.They discovered that new products launched soon after a recession performed better than those launched later.Lamey et al. (2012) also discovered that, because they are more difficult to mimic, inventive new product releases are crucial in combating the growth of low-cost private labels during an ER.However, the intensity of the recession sets a limit to the benefits of a new product launch, as the product's chances of survival are lower when released during a severe recession (Talay, Pauwels, and Seggie 2012).

**Significant aspects of marketing during covid-19:**

General marketing spending: A proactive marketing approach is a powerful method for mitigating the negative impact of an ER on the position of brands in the market, and in particular, for preventing consumers from (permanently) migrating to cheaper alternatives available on the market (such as private labels).

**Advertising:** There is a chance to keep or improve the brand's share of voice by continuing advertising spending during an ER.Obtaining higher-quality marketing messages during an ER visit is even less expensive.

**Price:**For retaining market share during the ER, temporary price reductions (TPR) are a successful strategy, particularly if a particular category or

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brand has a significant amount of private labels. During an ER, especially in the window right after the recession, when the benefits of the launch are likely to be greater, businesses should continue with their new product launch projects.

## II. CONCLUSION:

Marketing managers need to be aware that consumers are acting and changing their behavior in real time during the COVID-19 epidemic. As a result, there is a real risk in waiting for things to get back to normal before taking action and using a "wait and see" strategy. Years of (empirical) marketing research have shown that recessions give marketers the chance to increase the market share of their brand, particularly if they are prepared to think long term.

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