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# MODERN MARKETING STRATEGIES AND ORGANISATIONAL MANAGEMENT IN THE ERA OF GLOBALISATION

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## INTRODUCTION

Politicians and businessmen should understand the growing economic power of newly industrialised countries. Achievements of management systems in place in the Far East point to the factors that have contributed to their success. China's open-door policy has created huge opportunities for both investors and businessmen. The reciprocal interdependence of East and West is growing rapidly. The economic power of Pacific Rim countries will have an impact on globalisation trends and developments around the world. Historically, western industrialists and scientists have believed methods used in the Far East to be ineffective, inefficient and outdated. They still do the parallel of warrants and prohibitions as well as the pros and cons of these systems. Some Americans and Europeans go so far as to say that given the Western patterns, Asians do almost everything incorrectly and that Chinese companies are not very effective be it with more abstract criteria, or in terms of quantitative efficiency scale. But the results of companies criticised in this way need no excuses. The growth rate of four newly industrialised countries Taiwan, Hong Kong, Singapore and South Korea – is twice higher than in Western countries. The efficiency of any economy mirrors the performance of individual companies, whose activities make it up, and the effectiveness of the company is the sum of its employees' efficiency and the effectiveness of the methods used. China or Japan or other countries in the region do not have one mark of the word "CRISIS", its designation are two terms: "DANGER" and "CHANCE". This is to remind managers that where there is a crisis and danger, there also appears "OPPORTUNITY". It reflects the Far East way of understanding this concept [Harasim and Dziwulski 2015].

A thesis can be formulated that the concept of intellectual capital becomes highly useful for managing organisations in the context of creating added value for them and building competitive advantage in the market by introducing appropriate policies with particular emphasis on marketing strategies.

Gone are the days when transcontinental, transnational, multinational corporations could ignore local values and traditions. The greatest of them may "lose face", if they fail to take into account the local culture of the region or country. No corporation can afford to disregard the global perspective, because it will end up with tragic consequences. Therefore managers should have international education and experience in this context, and also have a thorough knowledge of local conditions.

## IMPACT OF DEVELOPMENT OF INFORMATION AND COMMUNICATION TECHNOLOGIES ON CREATION OF MARKETING STRATEGIES OF MODERN ORGANISATIONS

The development of information and communication technologies has been so rapid that it has caused changes in the functioning of the organisation and business leading by companies and public agencies or non-profit organisations. Technology accompanies us in everyday life, contributing to the transformation of both production processes and services. This requires the introduction of organisational changes, particularly in communications with employees and customers, and in the process of their education and skills acquisition. The following question arises: how does the development of information and communication technologies influence the selection and implementation of marketing communication strategy?

New opportunities to communicate with customers and exchange information among them, the availability of information, the possibility of buying and doing business on the network via the Internet, the digitization of content and digital distribution, opportunities to earn and use massive amounts of data have an impact on the way organisations do business. This can lead some companies to achieve a competitive advantage in the market, while others lose it. On the other hand, we cannot remain neutral to technological changes because it will influence the company's position on the market. Technology is being developed over more quickly, making it all the more important that the overall strategy or marketing strategy is applied for them.

The problem organisations face is not only about whether, how and when to adapt technologies, but how to change their present actions to take full advantage of opportunities and avoid threats. The pace of social and cultural changes as well as human capital at organisations is generally disproportionate to the rapid pace of development of digital technology and often cannot keep up with it. However, the ability to adapt and keep pace with these other changes influences the effectiveness of use and further development of new technologies.

The development of global marketing is based on the belief that consumers worldwide need similar goods and services, and to be guided in such a way that their benefits, including comfort, satisfaction, lower price and high quality are maximized. The product range includes: food, clothing, electronic equipment, books and a variety of services. This favours the globalisation of lifestyles, consumer behaviour and education – just as it does the characteristics of the global consumer.

One of the most effective and efficient solutions implemented by businesses and governments are intelligent personalised recommendations. Thanks to the interactivity offered by the Internet, e-stores can serve customers such packets of information and products that are customised to a person on an individual basis. Modern recommendation systems offer more opportunities to acquire new customers and support ones that have already been gained. Thus, mass marketing is replaced by a system oriented at individualisation, which implies, among other things, increased sales and click-through rate (CRT). In this process, the user has a decisive role shaping his profile, one which translates directly into purchases of given products. The initiative stems from him or her, meaning a pull strategy creating demand for at given product, is at work [Batorski 2011].

The process of mastering communication with other cultures consists in the following three phases [Hofstede 2000]:
– realising that each of us has been brought up differently and has a different "mental programming";
– acquiring knowledge related to the symbols, heroes, rituals and values of a given culture, because it is necessary to communicate with people of other cultures;
– acquiring skills associated with awareness, knowledge and practice, the consequence of which is the ability to recognise and use symbols of a given culture, recognise its heroes, practice its rituals and solving increasingly complex problems associated with functioning in new surroundings.

Cultural context is reflected in, among other things, the communication strategy on the market, which distinguishes two types of diversity as criteria: intercultural and intracultural.

Theoretically, there are four international communication strategies [Duliniec 2009]:
– the global strategy is based on the cultural similarities between countries and on the internal homogeneity of these countries' cultures. The activities a company carries out in marketing communications may be heavily standardised on an international scale;
– a global niche strategy based on, first, the identification of similarities between segments separated according to national cultures, and then the concentration of standard promotional activities on a selected transnational segment;
– multinational strategy appropriate to the apparent cultural diversity among foreign markets, with significant adaptation of promotional activities for the cultural characteristics of each country;
– the strategy of individualisation is brought about by, among other things, the individualisation of lifestyles, increasing educational level, higher demands with respect to products and services; it is used when there are significant cultural differences across countries. As an effect of this, companies are required to have more personalized communication with markets for example, based on direct marketing.

*What does personalisation give us as customers or potential customers?* With personalised recommendation systems the recipient receives an individual offer, which may lead to a purchase being made. Potential consumers have quick access to the offer of a particular e-shop, and their expectations and needs can be met. Customer satisfaction is the most effective source of advertising because it leads to recommendations. The use of specialised software is essential to get clients to revisit the e-shop. The use of such systems builds competitive advantage in the market.

The era of globalisation has presented marketing department with new challenges and forced them to create new tools and methods, thanks to which their organisations can reach consumers faster and more effectively. Respecting and using cultural differences, becoming socially responsible, and personalising products and services are the means to accessing modern and demanding consumers. However, the most important resource of any organisation is its people. People are also the lifeblood for marketing strategy development and implementation activities. Human capital is part of the organisation's intellectual capital.

## MANAGING INTELLECTUAL CAPITAL IN ORGANISATION OF THE FUTURE

The management of future business organisations, non-profit or public, will be based on these five basic elements [Edersheim 2009]:
- quality of consumer service – fair, clear and straightforward rules governing relations between the client and the company should be stated. The organisation's strategy must be consumer-oriented to satisfy consumers' constantly newer needs, which could be achieved through innovation and leadership;
- management practice – there are many situations in an organisation in which reality does not reflect the theoretical models (which sometimes vastly simplify the business world). It is therefore important to introduce new ideas that will not only improve company operations but also carry economic benefits. New ideas are an essential determinant in building competitive advantage on the market;
- simplifying complex matters – problems occurring in an organisation should have simple solutions;
- leaders' responsibilities in an organisation – the chairman or chief executive in an organisation will have to balance: internal indicators and external ones;
- human resource management – management deals primarily with people who should be treated with the utmost respect.

Without these elements, organisations will not be able to function efficiently [Harasim and Dziwulski 2012]. Peter Drucker has said that "what sets organisations apart is the ability of making ordinary people do extraordinary things, and it depends primarily on whether they carry out the tasks which will allow them to use their strengths fully" [Drucker 2004]. On this basis the following five questions may be asked:
- What kind of people should work in the organisation?
- Does the organisation provide its people with the means to achieve maximum efficiency and contribute its success?
- Do the organisation's structure and rules guarantee respect for employees and promote investment in human capital?
- Are both knowledge and access to it built into the business model?

– What is the strategy for investing in people and knowledge?

Neither the workers nor management of the organisation can be expected to bring about effective and efficient operation without equipping them with adequate tools to execute their daily tasks. It happens in practice that the people in charge of the organisation do not have adequately decisive and informational commissions from the central organisation and therefore they cannot make rational strategic decisions. Decisions taken or the absence thereof may lead the organisation to fail, and ultimately go bankrupt [Harasim and Dziwulski 2015].

The creators of concepts on intellectual capital and those that research this subject have differed in their views on its constituent elements. The different approaches are presented in Table.

Here there is a need to discuss modifications to the model put forward by the founders of the Skandia Company, as they extend the current framework to look at intellectual capital. Structural capital is therefore further divided into [Bratnicki and Strużyna 2001]:

– capital in the form of customers including relations with them, their loyalty and price sensitivity. This is often seen as market capital, because it concerns relations with customers;
– organisational capital including investments in systems, accelerating the flow of knowledge in the organisation and its environment. Organisational capital is divided into innovative capital (skill of renewal, revival of businesses through innovation in the form of protected copyrights, trade or patents and intellectual property and patents) and process capital (procedures, techniques and employee incentives and programs for the effective performance of task: includes the practical knowledge necessary for the organisation to continuously improve).

All of these elements should be closely linked and integrated into the objectives of the enterprise. Disabling one of them prevents the formation of the idea of intellectual capital in the organisation.

Modifications made to the above model relate to capital equalisation in the form of clients with primary components, namely human and structural capital. This carries certain consequences, since it means that in the context of structural capital there is only organisational capital. Since then, for many researchers it has become pointless to separate and mix together these concepts [Skuza 2003]. As a result, "structural capital" has been renamed organisational capital to simplify Figure 2.

Researchers from the University of Economics in Katowice present a quite different, innovative view of what constitutes intellectual capital. When creating their model they called it the Tree of the enterprise's values. The high accuracy, and at the same time fragmentation, of this scheme result from the lack of identification of a single measure of intellectual capital. To this point, measures have been synthetic, i.e. the value of capital has been determined on the basis of its components. This poses numerous problems because many of them are not measurable [Skuza 2003].

According to some sources, the original model of intellectual capital (IC Model) was based on Erik Sveiby's concept, which divided assets into three categories: internal, external and market (www.e-mentor.edu.pl).

In the "new economy", however, neither owned property assets (physical capital) nor current assets (working capital) determine the company's competitive advantage. It is

TABLE. The approach of researchers to define intellectual capital

| Originators of the views | Components of intellectual capital |
|---|---|
| Skandia | human capital<br>• competences<br>• relationships<br>• values<br>structural capital<br>• capital in the form of customers<br>– customer base<br>– relations with customers<br>– clients' potential<br>• organisational capital<br>– process capital<br>– innovation<br>– culture |
| M. Bratnicki and J. Strużyna | social capital<br>• structural capital<br>– net connections<br>– net configuration<br>– the responsibility of the organisation<br>• dimensions of interpersonal relations<br>– trust<br>– standards<br>– commitments<br>– identification<br>• cognitive capital<br>– shared dictionaries<br>– a common language<br>– shared responsibilities<br>human capital<br>• competences<br>– practical skills (fluency)<br>– theoretical knowledge<br>– talents<br>• intellectual skills<br>– innovative people<br>– the ability to follow<br>– entrepreneurship<br>– the ability to change<br>• motivation<br>– willingness to act<br>– personal predisposition to certain behaviours<br>– involvement in organisational processes<br>– organisational power<br>– managerial leadership<br>organisational capital<br>• internal structure<br>– organisational structure<br>– acting system<br>– intellectual property<br>– internal processes<br>– organisational culture<br>• external structure<br>– market resources<br>– relations with suppliers<br>– relations with shareholders<br>– connections with partners of strategic alliances<br>– connections with other stakeholders<br>• development capital<br>– innovative companies<br>– organisational learning<br>– strategic purpose<br>– the objectives and strategies of the company<br>– strategy development processes<br>– willingness to change |

Source: own elaboration based on Bratnicki and Strużyna [2001], Sopińska [2005].

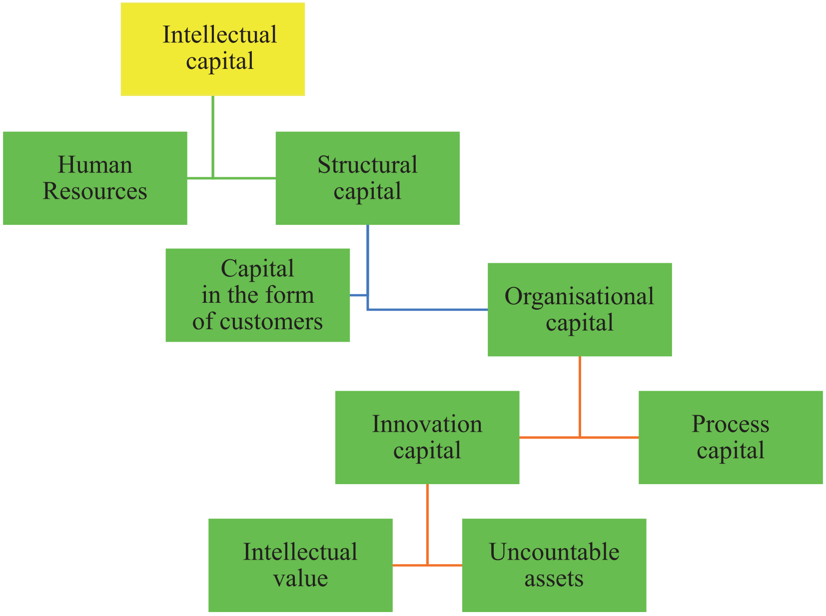


FIG. 1. Elements of intellectual capital included in the Skandia model

Source: [Edvinsson 1997, Wachowiak 2005].

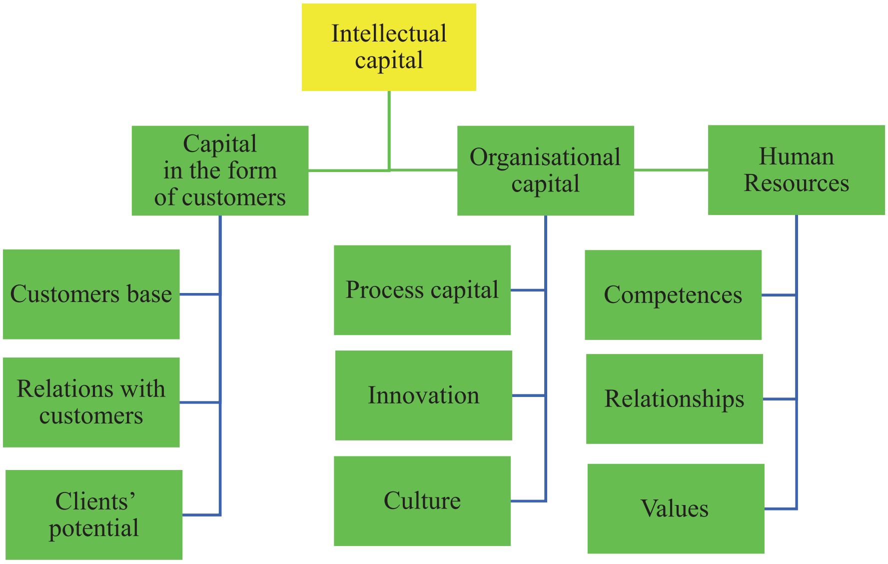


FIG. 2. Modified image of intellectual capital components

Source: [Skuza 2003].

rather brand and human capital (knowledge and innovation) supported by information technology, the so-called e-business, which do that.

The new economy means globalisation, innovation, and the humanization of work processes, but also the commercialisation of social life, the dominance of mass culture, and conflicts between cultures and civilisations.

## CONCLUSIONS

All areas of management should support the strategy, organisational culture and structure of the company. Organisational strategy must also be consistent with marketing strategy. Such consistency can be achieved through individual competency management, employees' individual knowledge, skills, abilities, motivations and behaviours and organisational competencies. The latter competencies follow directly from the business and personnel strategy of the company, which is supported, for example, by a customer focus, focus on quality, collaboration, analysis, and innovation the source of which may also be values established within the organisational culture. They are the "glue" for all the elements of managing people – from competency profiles useful in the planning of personnel, recruitment and staff selection, by competences evaluation and rewarding to their development. This is reflected in both internal and external marketing activities.

Knowledge, skills, and personality are all sources of competences. Thanks to them, the experience of each employee is important. The experience an employee brings is composed of a sequence of functions and roles performed as well as work in positions of significant responsibility. They are complemented by all the difficulties and failures they may have incurred in dealing with subordinates or colleagues in their working life as well as problems that have occurred in their personal lives.

Competences are compared more and more often to the iceberg, the tip of which is visible with the "naked" eye, as it protrudes above the surface of the water. They are evidenced by the certificates and diplomas individuals receive for their knowledge and skills. Sometimes these "paper" hard competencies do not contribute to the success of the particular job and do not go hand in hand with actual skills. Yet an important part of the iceberg is hidden under the water, made up of other qualities: motivation, aptitude, self-image, and other personality traits that more and more often determine positive outcomes. These "soft" competences are difficult to examine or measure, but significantly affect how individuals are perceived as they come through their behaviour.

The concept of competence refers directly to the theory of the competence ladder. It assumes that the employees pass through three stages in the learning process. The first is a state of unconsciousness, when they are not aware of the lack of specific knowledge or skills. The second stage is called the state of consciousness of incompetence, and the third ends at a certain consciousness of having competence. The top of this ladder can be reached only when the employee already has competences and actively uses them in order to efficiently and effectively carry out the responsibilities that come with the job. Competences enable the development of the individual, but on the other hand require the continuous improvement and the mastering of knowledge.

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**Summary.** The article highlights the importance of components of intellectual capital in developing the organisation's strategy. Information and modern technologies are the key to effective implementation of the marketing strategy of the company.

**Key words:** modern marketing strategies, intellectual capital, human capital

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