

MARKETING FUNDAMENTALS

THE GLOBAL IMPACT OF COVID 19 PANDEMIC

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Introduction

Marketing Fundamentals represent the basic necessary information to conduct marketing research, for the development of advertising campaigns to promote products and services offered by businesses. Those fundamentals are known as the 4Ps of marketing developed by Neil Borden in 1950. In 1964 he published an article used to encompass the 4 fundamentals, more called marketing mix and elaborate for business developers on how they can use marketing strategies to their advantage (Twin, 2022). Since the theory was developed in 1950, since than the global market has shifted its demands and accepted applied norms, therefore the industry itself has changed in a matter of working processes, and 3 more p's were added to Borden's marketing compass. Altogether, the original and consecutive theories about the marketing fundamentals have developed the Marketing 7p's which represent the product, price, place, promotion, people, process, and physical evidence.

The company which is about to be discussed in this report is L'Oréal – the largest cosmetics company in the world, which has been on the market since the beginning of the 20th century. Considering its long history, following up on the timeline, it has been part of the timeframe when the business environment fundamentals were developed, by socialists, and academics, based on the experience of companies like them. L'Oréal has survived through both World Wars and continues its expansion through today. The experience and contribution that the company has to the development of the understanding and development of a template for business fundamentals and common functions and processes, is based on particular mistakes, inventions, and activities, which continue to enrich the Global Business Environment, by today.

KPMG has released detailed reports concerning the impact of the COVID-19 pandemic on the global business industry and its operations, evaluating the financial crisis which appeared due to the hit of the pandemic and has reported a Global GDP downfall of 4.1% which was a drastic change for the Global Economy stability and resistance, the individuals forming the global labour force, and also appeared most impactful to the Small and Medium Enterprises (SME) (KPMG, 2021).

Conducting an analysis of the internal and external business environments, and representing businesses as individuals contributing to the development of the internal Global Business Environment is vital for understanding the basics of business development processes, and

adapting the knowledge of the impact which businesses have on a global level, and also evaluate the impact of the major external environment over its success and future developments.

Supported by business fundamentals, theories developed based on business operations archaeology and methods of analysis, the analysis and evaluation of both environments and the knowledge it provides is a tactic for further expansion and creation of any product, service or company.

The marketing Fundamentals are an irrevocable part of the business development processes, and reach each and every aspect of it, in the form of taking under consideration all aspects of market development, and controllable and uncontrollable impacts from the environments, providing the business with suitable advertisement methods and tactics.

Marketing Fundamentals

There are multiple definitions of marketing available for the field of study. According to the British Institute of Marketing, marketing serves businesses, taking the responsibility to identify, anticipate, and satisfy customer requirements, aiming to bring profit for it. In addition to the attached its process's responsibilities, marketing has become an important business function, however big part of its essence is the philosophy implied in it. Marketing processes are focused on concepts, approaching methods, and behaviour analysis on how the organization is managed.

Philip Kotler called more, The Father of Modern Marketing is the initiator for joining Marketing as a field of academic study. He is the reason students nowadays can learn the insights of the marketing industry and implement its knowledge in their field of work, improving their communication and personal skills and allowing them to shift their own perspectives and adapt to critical evaluation. According to Kotler, the concept of marketing is an organizational management structure and process that when implemented within an organization is used to determine the needs, wants and values of the targeted markets, and support the business's adaption to it so the business could deliver the desired satisfaction more efficiently than its competitors and gains profit from it.

The main goals of marketing campaign development are focused on the preliminary analysis of the market demands and the adaptation of the sold goods and services according to those demands. To analyze and evaluate those demands, businesses requesting successful marketing

campaigns are suggested as an approach to allocating sufficient resources, attention and effort to constant research, monitoring and evaluation of consumer needs, wants and constantly changing values.

The needs, desires and values of the consumer market are vital for the success of any marketing campaign. Consumer needs are often considered imbalanced because it stems from the basic psychological, social, and individual needs of belongingness, knowledge and self-actualization. Considering Maslow's Hierarchy of needs, the marketing approach to consumers does not imply that people are focused on simply covering their physiological needs. When individuals are focused on achieving more, and climbing their own self-actualization hierarchy, are most likely to spend on additional goods. The needs are transferred into desires when individuals' purchasing decisions are influenced by social or cultural norms or individual characteristics. For example, can be given the luxury goods market which operates on a psychological influence basis, and the focus on purchasing luxury goods is for personal evaluation and feeling of belongingness to an upper-class lifestyle. Consumers tend to associate the possession of luxury goods with success and self-achievement, which is the major reason for accepting the higher pricing to own the product because of the brand which sells it. The values, whether it is business or the individual who upholds them are based on attitude, beliefs, and willingness.

The marketing field is crucial for the following several reasons:

- Marketing has the capability to stimulate demand.
- Pricing of Marketing services is usually high, which leads to additional expenses for the business, and should be forecasted when developing the annual budget of the company.
- If a company has a marketing department, it often requires a large team to manage all the required research and development processes.
- All people are consumers at some point
- Marketing has the power to influence the values and lifestyle of people
- Marketing has the power to determine the quality-of-life definition and measurement scale.
- Uses limited resources in their full capacity, to develop applicable customer approach strategies.

The Global impact of the COVID-19 pandemic

The COVID-19 pandemic hit the world at the beginning of 2020, leading to major closures of businesses, redundancy and communication restrictions. Countries around the world were forced to implement restrictions on social communications and boosted social distancing measures to prevent the spreading of the virus. The pandemic impacted not only the lives of individuals but also led to the Global Economy's downfall. The Global GDP went down by 4.1% according to KPMG which caused an economic crisis equivalent to the one that happened at the beginning of the 21st century.

The implemented restrictions led to the shutdown of multiple small and medium enterprises, leaving the global market leaders to deal with the support of the economies. L'Oréal has taken part in the combat against the COVID-19 pandemic by donating 1 million EUR, to its partner non-profit organizations. Furthermore, the company took action to support the health care industry, and support its food distribution stakeholders. The initial support was in the form of supplying free hand sanitizers, considering the major deficit which appeared at first with the first pandemic wave. Over 100,000 businesses and clients of the company were forced to close their establishments due to government restrictions, and L'Oréal took the action to freeze their accounts and stop receiving payments till the businesses resumed back to normal activities.

The Global Economy managed to get stabilized by the end of 2021, however, the largest impact was applied to the SMEs. L'Oréal showed solidarity to most of its direct customers, however, not each enterprise had the chance to successfully survive through the pandemic.

L'Oréal's Advertising History

The marketing strategy used by Eugène Schuller was simple – he was doing everything on his own. Which to say was a huge struggle at the time. Schuller's day was spread in 3 parts – Mornings for walking from hair salon to hair salon to promote his products, afternoons were for delivering the ordered products, and evenings were dedicated to producing the hair dye. At the time the business was small, and the struggle was only for the founder and developer of L'Oréal cosmetics. Back in a time when the technologies were not so well developed, in-person communication used to be the only advertising method apart from gossiping, and Schuller maintained this working process for a couple of years before the demand grew so big that he

even managed to start exporting his product. By 1910 the product was exported to Austria and Italy. By 1914 to the list were added Hungary, Germany, The Netherlands, Belgium, Switzerland, and Russia.

The advertising methods used by the founder of the cosmetics market giant are examples of the power of personal contact, and the appliance of advertising tactics, proving the statement that marketing represents a mind game of psychological manipulation. Considering the non-existence of marketing platforms apart from in-person references, placed the foundation of the business function known today within the business environment. Starting with simple methods, and continuously upgrading, including and evolving, because of constant market response and development analysis.

Eugene Schuller brought invention to the business environment as well – the proportional wage. Better known nowadays as the commission which people working throughout the service industry receive based on the amount of work, they have completed whether hourly, daily, weekly, or monthly wages.

As much as Schuller was against the two weeks of annual pay leave, it turned to be a good opportunity for another invention of his – the Ambre Solaire Sun cream. When people started to get their annual leaves, mostly in the summer to go on holidays and go sightseeing, the sales of Ambre Solaire skyrocketed.

Taking the advantage of the unwanted situation gave Schuller the opportunity to expand his production and turn over profit for the company, using applicable advertising methods of promoting a highly demanded necessity.

As much as Schuller was an astonishing businessman, his vision of equality and diversity within the workplace was not so bright. An example of his unfamiliar today views is his daughter Liliane Bettencourt. After Schuller's passing in 1957, Liliane inherited the business, however, her inheritance was in the form of financial assets, without any rights to make decisions for the company, as back then Schuller believed that women couldn't lead an empire.

In today's business environment women are still struggling with sexism, however, equality in human rights is constantly promoted, and supported and people standing against it usually seek responsibility.

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