

MARKETING PLANNING STRATEGIC PRIORITIES IN CENTRAL EUROPE

Changes in the marketing environment in CEE have been detailed elsewhere. Critical factors included the collapse of the traditional export markets in Eastern Europe (COMECON), increasingly demanding customers at home and abroad (both in terms of quality and reliability expectations) with broader levels of choice, continued downward pressure on costs, increasing levels of competition, both domestic and international, and accelerating rates of technological change. The impact of these changes has been to make survival, let alone profit or growth (commercial "success" in Western terms), increasingly difficult.

Table 1 shows response to two questions concerning strategic priorities. The "last 2 years" relates to the period mid-1990 to mid-1992 and the "next 2 years" relates to expectations up to mid-1994.

Table 1. - Strategic priorities

	What were your company's strategic priorities over the last 2 year? (n=2,311)	What will be your company's strategic priorities over the next 2 year? (n=2,311)
Survival	69.25%	32.0%
Good short-term profits	12.7%	21.0%
Long-term market position gain	15.9%	44.4%
No reply	2.1%	2.6%

The in-depth interviews have shown that a 2-year planning horizon was considered "long term" in the prevailing economic conditions. Indeed many managers expressed the view that planning that far ahead was impossible. As might be expected, the major emphasis for the past has been on survival (over two-thirds of respondent companies). An interesting difference emerges, however, with respect to intentions for the next 2 years. While many companies intend to keep their "survival" (around one-third of all respondents), the largest single group

(44%) state that their priorities will be to build long-term market position. The extent to which companies will be made to pursue such long-term objectives in the continually hostile economic environment of CEE is debatable. What is of interest, however, is to see the strength of the strategic intent expressed by respondents. To achieve those longer term market position gains will require clearly thought through and implemented marketing strategies.

When looked at in more detail it became clear that where plans do exist, they are often primarily sales plans or financial plans, rather than marketing plans. Equally worrying from the long-term perspective of the firms surveyed was the lack of planning for personnel development. The role, if any, of marketing in the long-range planning of the company was also examined. In a marketing-led organization it might be expected that the role of marketing will be substantial. Table 2 shows that, in many firms, marketing has little or no role in planning (29% of respondent companies), while in others the role can be limited to support (19%).

Table 2. The role of marketing in strategic planning

What is the role, if any, of marketing in your company's overall long-term planning? (n=2,311)	
Little or no role	28.8%
A limited support role	19.0%
A major input to long-term planning	18.4%
Marketing leads long-term planning	5.1%
No reply	28.7%

A number of companies, however, report a major (18%) or a leading (5%) role for marketing. The high incidence of "no reply" indicates companies where there is no long-term planning.