ADAPTIVE MARKETING STRATEGIES: A PANACEA FOR BUSINESS STABILITY IN THE COVID-19 ERA

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ABSTRACT

The study focused on the influence of adaptive marketing strategies on business stability during Covid-19 pandemic. The specific objectives were to examine the influence of adaptive product, pricing, promotion and distribution strategies on business stability during Covid-19 pandemic. The study adopted an ex post facto research design. Primary data was collected using structured questionnaire. The population of the study comprised 380 management and marketing staff of selected companies in Southwest Nigeria. Stratified sampling technique was used to select 130 respondents. Simple regression statistical tool was used to test the hypotheses through Statistical Package for Social Sciences (SPSS) version 20. The findings show that adaptive product, pricing, promotion and distribution strategies have significant influence on business stability during Covid-19 pandemic era. The study thus recommends that firms should embrace adaptive product, pricing, promotion and distribution strategies if they desire to remain robust and profitable in times of disruptive events like the Covid-19 pandemic.
Keywords: Adaptive distribution, adaptive marketing strategies, adaptive pricing, adaptive products, adaptive promotion, business stability

INTRODUCTION

Several firms are experiencing downturn in operations and dwindling economic gains due to the Covid-19 pandemic. They strive for survival to meet societal needs despite present global environmental threats. Every firm experiences a lot of challenges during Covid-19 pandemic era; and are required to adjust to the dictates of the environment. The best way to succeed and overcome the chaotic environmental situation is to embrace adaptive marketing strategies. Adaptive Marketing is the new approach taken by marketers for strategizing marketing efforts by actively tracking and responding to consumers. It refers to reforming (adapting) a firm's marketing mix to suit the particular geography in which the firm is operating (ActivEight Dimensions, 2014).

Adaptive marketing strategies allow firms to be attentive to the market, anticipate possible opportunities, flex its strategy, and adapt proactively to future market development. This posture reduces disparities between market changes and company responses, and also results in superior performance (Guo et al., 2018; Schoemaker & Day 2009). These strategies build strong positioning and deliver value to consumers to maintain their loyalty, important factors in the contribution of the performance of the organization (Joensuu-Salo et al., 2018).

The adverse effects of Covid-19 pandemic cut across the global economy in several ways. The introduction of social distancing and ban on inter country and states movement to slow down the spread of the virus also shutdown financial markets, corporate offices, manufacturing and other businesses activities. The rate of spread of the virus alarmed peoples and nations and raised fears uncertainty, and led to flight to safety in consumption and investment among consumers and investors (Ozili & Arun, 2020).

A consensus among economists is that the covid-19 pandemic would push the world into a global recession. Allen et al. (2020, as cited in Ateke, 2021) affirm that the Covid-19 pandemic shattered the world, with far-reaching effects; the true range of which could only be imagine. However, in the view of Ateke (2021) just as the "Covid-19 pandemic upended lives, markets and lay bare, the competences or otherwise of organizations and governments; it has also led to long-term political and economic power-shifts in several ways."

It is clear is that the turbulence orchestrated by Covid-19 disrupted global economic activities and upended marketing praxis. Firms' interaction with customers; retailing practices; marketing research; and even communication with customers have been redefined significantly. It is also likely that things may not get back to the old ways; even though relics of the old order will remain for a long time (Ateke, 2021). In the circumstance, firms must adopt adaptive strategies in their marketing activities, if they must maintain or improve their performance and market position. This study therefore, opts to empirically examine, the influence of adaptive marketing strategies on stability businesses during the Covid-19 pandemic.

LITERATURE REVIEW

Meaning of adaptive marketing strategy

Adaptive marketing is an approach that enables brands create more personalized relationships with customers based on feedback received from various data points. It allows marketers to adapt not only their messaging but also their product. Adaptive marketing enables marketers tailor their activities in unparalleled ways to meet customers' interests and needs based on recorded data. It allows them to satisfy individual consumer needs in. When carried out in the right manner, adaptive marketing feels like rewarding consumers by giving them the opportunity to personalize a product (ActivEight Dimensions, 2014).

The internet, however, takes the concept of tailored advertising to an entirely new level. No longer can static and periodic, advertising is now "always on." The vast amounts of data produced by our connected world allow a level of personalization that has never before been possible. That is the basis of adaptive marketing (Greg, 2019). Adaptive marketing is delivering content and recommendations based on what is currently know about customers and where they are in the sales funnel. Delivering the right message at the right time leads to better engagement and conversions, and also prevents the target audience from marking the firm's messages as spam.

Adaptive marketing rely on data. It is thus more than just advertising. It reduces commodification and delights customers (Greg, 2019). Adaptive marketing results in value customization, which according Ateke at al. (2016), describes firms' efforts at providing

unique value offerings to individual customers by leveraging interactive media, and targeting customers' based on their demographic and geographic information. Collecting buyers' data allows advertising to be targeted, and also allows product, price and distribution personalization. Adaptive marketing is driven by data. Data collected from product experiences drives further marketing choices. Adaptive marketing takes guesswork out of marketing and allow brands to give more consumers more of exactly what they want.

Brands are no longer content to have satisfied customers; they want customers who are thrilled, who love their products so much they are willing to crow about them to friends and on social media. Achieving this however, requires structural changes to traditional marketing approaches, since budgeting, planning, and optimizing must be more fluid and agile. Adaptive marketing is thus the next major goal for many brands and marketers. The benefits of adaptive marketing strategies are trust, transparency, information, leadership and stronger identity (ActivEight dimensions, 2014).

Adaptive marketing builds trust with consumers, as they feel comfortable about sharing their personal data with suppliers of their proffered products. If adaptive marketing aims to achieve anything more important than sales, it is consumers' trust. However, using consumer data comes with responsibility. When collecting consumer data to construct marketing strategies, brands should allow consumers to know how their personal data are going to be used. This practice encourages transparency between brands and consumers; and begets loyalty when the brand delivers on its promise.

Also, because collecting and analyzing consumer data has many applications in a growing business, adaptive marketing regards both actual and potential consumers by offering personalized product variants. Though this data is collected to fulfil a specific purpose, it can give major insights about consumers' preferences that can later be used to craft new strategies. In addition, by creating audacious brand experiences, a brand will be seen as successful in the marketspace. Adaptive marketing confers market leadership on firm. Marketers who dare to question the status quo, and adapts to consumer touch points, bring leadership quality to their brand image. Finally, through adaptive techniques, brands have a good opportunity to develop strong brand identity. The capacity to constantly adapt whilst staying true to their personality throughout this process brings more value to a brand.

Virtually every facet of marketing activities are adaptable. However, this study looks at adaptive marketing from the lenses of how firms build flexibility into the traditional key decision areas of marketing (the 4ps of the marketing mix). Thus, adaptive product, adaptive, pricing, adaptive promotion and adaptive distribution are adopted as dimensions of adaptive marketing strategies.

Adaptive product strategy
Adaptive product strategies involve product differentiation. Product differentiation concerns modification of products to make them more attractive to the target market. This involves differentiating it from competitors' products as well as the firm's own product mix (Bennet, 2002). The objective of product differentiation is to develop a position that potential customers will see as unique. If the target market of a business views the product as different

from competitors' products, the firm will have more flexibility in developing its marketing mix. Consumers value quality product offered by manufacturers. Arnauld et al. (2002) defined quality as "the consumers' evaluative judgment about an entity's overall excellence or superiority in providing desired benefits."

Adaptive pricing strategy
Adaptive pricing strategy involves price variations. Price variation policy represents the firm's price position, one that can range from stable pricing, featuring consistent, everyday prices and few price discounts, to highly promotional pricing, featuring frequent price discounts. Price variation and price promotion is a set of pricing and promotional decisions designed to communicate a price position to consumers and influence short term sales response and overall market performance (Lal & Rao, 1997; Chiliya et al., 2009).

Adaptive promotion strategy
Adaptive promotion involve tailoring the firm's communication to suit the preferences of individual customers or defined customer groups. It utilize online promotional tools to induce customers such as web marketing, online advertising and other social media devise (Wakolbinger & Lea, 2009). Adaptive promotion connects consumers to the firm by addressing specific interests of consumers (Fritz & Ben 2006; Joseph & Aaron, 2015). According Peppers et al. (1999, as cited in Ateke et al., 2016) adaptive promotion customizes communications to individual customers, based on the conviction that customized offerings create higher benefits for customers than standard ones because they deliver a closer preference fit, provided firms are able to obtain accurate information about customers' requirements.

Adaptive distribution strategy
Odigbo et al. (2015) posits that availability of storage and transportation facilities as distribution strategies enable manufactures to produce more and meet market demands. Yeboah et al. (2013) focused on best distribution strategy among intensive, selective, exclusive and other factors that help firms to meet customer expectations with respect to delivery and service promises of the organisation. Schoviah (2012) considered aggressive marketing, mass marketing, value marketing as distribution channel strategies and increased sales, market share, profits and response to market changes as firm's performance measures. Stock availability and distribution channels and sales figure were used to measure distribution performance respectively by Kafaeipour (2015).

Concept of Business Stability
Business stability represent firms' complex ability to react quickly and adequately to variations in the business conditions, in terms of internal and external stakeholders' demands, relying on established structures and processes, and, ensuring continuous improvement and competitiveness.

The overriding aim of business firms is to operate seamlessly, make visible progress and prosper. But before growth occurs, stability must be achieved. Also, market conditions often force firms to defend what position they currently control; to make sure they do not experience decline in their undertakings, irrespective of uncertainties and disruptions.

A business can survive significant loss of customers and internal resources and in sales; and suffer other monetary problems that would put an end to other companies. The business will no doubt, feel the impact of the issues but will be focused, and even move forward, rather than shutter. Business stability is the general term used to describe this phenomenon in business. Stable business may bend in face of adversity and disruptions; but they do not break.

Stability is desired and actively sought when the firm is content with maintaining its current market position, and focusing only on incremental improvement (Ateke & Nwokah, 2022). Generally, stability is attractive to small-scale businesses. It is preferred by large firms when market conditions are not favourable, and the firm is satisfied with its current performance. Business stability derives also from strategic initiatives and strategies adopted to guide business operation and bring in desired objectives. It is thus palpable that adaptive marketing strategies can confer business stability on firm. How, due to our desire to conduct empirical tests and interpretation, we hypothesize that:

Ho_1: Product strategy does not significantly relate to business stability during Covid-19 pandemic.

Ho_2: Pricing strategy does not significantly relate to business stability during the Covid-19 pandemic.

Ho_3: Promotion strategy does not significantly relate to business stability during the Covid-19 pandemic.

Ho_4: Distribution strategy does not significantly relate to business stability during the Covid-19 pandemic.

METHODOLOGY

This study utilized ex post facto research design. The population of the study was 380 management and marketing staff of selected company in Southwest Nigeria. Stratified sampling technique was used to select 130 respondents. Structured questionnaire was used to collect primary data. The questionnaire was designed in the 5-point likert scale. The validity of the instrument was confirmed by giving to research experts who modified and made necessary corrections. The value of the test of reliability is 0.95 which was conducted using test-retest reliability method which indicated that there is internal consistency of the instrument. Simple linear regression statistical tool was used to test the hypotheses, relying on the Statistical Package for Social Sciences (SPSS) version 20.

Analyses and results

130 questionnaire were administered, and all were retrieved and used for the study. The analyses of distribution of sex shows that 87 were male representing 67% and 43 were female representing 33%. The analyses of distribution of age of respondents shows that, out of 130 respondents, 32 falls between 25 – 34 years, 38 falls between 35- 44 and 17 falls from 45 and above. Analyses of distribution of educational qualifications of respondents show that 125 obtain BSc./HND, and 5 were holder of M.sc/MA/other.

Table 1:   **Regression Model summary for adaptive product strategy and business stability**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
H1	.372ᵃ	.139	.132	18.84091

 a. Predictors: (Constant), Adaptive product strategies
 b. Dependent Variable: Business stability.
 Source: SPSS Version 20

Table 2:   **ANOVA for adaptive product strategy and business stability**

	Model	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	7314.310	1	7314.310	20.605	.000ᵇ
H1	Residual	45437.414	128	354.980		
	Total	52751.723	129			

 a. Dependent Variable: Business stability.
 b. Predictors: (Constant): Adaptive product strategy
Source: SPSS Version 20

According to Table 2, the overall result for the regression model was significant ($p = 0.000 < 0.05$), thus results indicate support for the first hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that adaptive product strategy have significant effect on business stability during Covid-19 pandemic era. The result considered that adaptive product strategy can be used to predict business stability; it means that if adaptive product strategy is increasing business stability may also improve. Depending on the R^2 value of (0.139), adaptive product strategy could explain 7.4% variation in business stability during Covid-19 pandemic era. The ANOVA calculated F test was 20.605 and an associated significance p value of 0.000 (p value < 0.05) was significant. The implication is that the linear regression was good fit for the data.

Table 3:   **Regression Model summary for adaptive pricing strategy and business stability**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H2	.495a	.245	.239	13.18956

 a. Predictors: (Constant), Adaptive pricing strategy
 b. Dependent Variable: Business stability.
Source: SPSS Version 20

Table 4:   **ANOVA for adaptive pricing strategy and business stability**

Model		Sum of Squares	Df	Mean Square	F	Sig.
H2	Regression	7211.657	1	7211.657	41.455	.000b
	Residual	22267.450	128	173.964		
	Total	29479.108	129			

 a. Dependent Variable: Business stability.
 b. Predictors: (Constant): Adaptive pricing strategy
Source: SPSS Version 20.0.

According to Table 4, the overall result for the regression model was significant (p = 0.000 < 0.05), thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that adaptive pricing strategy have significant effect on business stability. The result considered that adaptive pricing strategy can be used to predict business stability; it means that if adaptive pricing strategy is increasing business stability may also improve. Depending on the R^2 value of (0. .245), adaptive pricing strategy could explain 7.3% variation in business stability in the Covid-19 pandemic era. The ANOVA calculated F test was 41.455 and an associated significance p value of 0.000 (p value < 0.05) was significant. The implication was that the simple linear regression was good fit for the data.

Table 5: Regression model summary for adaptive promotion strategy and business stability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H3	.395ª	.156	.149	19.54371

a. Predictors: (Constant), Adaptive promotion strategies
b. Dependent Variable: Business stability
Source: SPSS Version 20

Table 6: ANOVA for adaptive promotion strategy and business stability

Model		Sum of Squares		Mean Square	F	Sig.
H3	Regression	9022.685	1	9022.685	23.622	.000ᵇ
	Residual	48890.422	128	381.956		
	Total	57913.108	129			

a. Dependent Variable: Business stability.
b. Predictors: (Constant): Adaptive promotion strategy
Source: SPSS Version 20

According to Table 6, the overall result for the regression model was significant (p = 0. .000 < 0.05), thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that adaptive promotion strategy have significant effect on business stability. The result considered that adaptive promotion strategy can be used to predict business stability; it means that if adaptive promotion strategy are increasing business stability may also improve. Depending on the R^2 value of (0.156), adaptive promotion strategy could explain 7.0% variation in business stability. The ANOVA calculated F test was 23.622 and an associated significance p value of 0.000 (p value < 0.05) was significant. The implication was that the simple linear regression was good fit for the data.

Table 7: Regression Model Summary adaptive distribution strategy and business stability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H4	.433ª	.187	.181	12.42931

a. Predictors: (Constant), Adaptive distribution strategy
b. Dependent Variable: Business stability
Source: SPSS Version 20

Table 8: ANOVA for adaptive distribution strategy and business stability

Model		Sum of Squares	Df	Mean Square	F	Sig.
H4	Regression	4558.046	1	4558.046	29.504	.000b
	Residual	19774.446	128	154.488		
	Total	24332.492	129			

a. Dependent Variable: Business stability.
b. Predictors: (Constant): Adaptive distribution strategies
Source: SPSS Version 20

According to Table 8, the overall result for the regression model was significant ($p = 0.000 < 0.05$), thus results indicate support for the second hypothesis. We reject null hypothesis and which state that adaptive distribution strategy have no significant effect on business stability during Covid-19 pandemic era. The result considered that adaptive distribution strategy can be used to predict business stability during Covid-19 pandemic era; it means that increase in adaptive distribution strategy improved business stability during Covid-19 pandemic era. Depending on the R^2 value of (0.187), adaptive distribution strategy explained 7.0% variation in business stability during Covid-19 pandemic era. The ANOVA calculated F test was 29.504 and an associated significance p value of 0.000 (p value < 0.05) was significant. The implication is that the linear regression was good fit for the data.

DISCUSSION OF FINDINGS

Test of Ho₁ revealed that adaptive product strategy has significant effect on business stability during Covid-19 pandemic. The business identifies a strategy at each stage of the product lifecycle that will enhance the product to consumers (Chandrasekar 2010). The firm's products must satisfy a want for the consumer (Ramsey & Ramsey 2010). It is thus important to know and understand customers' needs and wants when selecting the products for the business

Test of Ho₂ revealed that adaptive price strategy has significant effect on business stability during Covid-19 pandemic era. A good pricing strategy ensures that the firm has sustainable competitive advantage (Dutta et al., 2002). It involves the perspectives of the consumer, the organization, and the competition (Cram, 2006). Tang et al. (2001) observes that there is nothing more important in business than the right pricing strategy.

Test of research hypothesis three revealed that adaptive promotion has significant effect on business stability during Covid-19 pandemic era. This results accentuates the argument that adaptive promotion customizes communications to preferences of individual customers, based on the conviction that customized offerings create higher benefits for customers than standard ones because they deliver a closer preference fit, provided firms are able to obtain accurate information about customers' requirements (Ateke et al., 2016).

Test of Ho₄ revealed that adaptive distribution strategy have significant effect on business stability during Covid-19 pandemic era. This result aligns with the position of Adimo and Osodo (2017) that distribution strategy focused on market trend, different channels, intermediary, complementary firms, market share, sales revenue and customer satisfaction.

The finding also support the view that innovative distribution enhances performance on sales turnover, profitability, market share and return on investment (Oladun, 2012).

CONCLUSION AND RECOMMENDATIONS

From the findings, it was revealed that adaptive product, pricing, promotion and distribution strategies have significant effect on business stability during Covid-19 pandemic era. Adaptive Marketing is the new approach taken by marketers to strategize marketing efforts by actively tracking and responding to consumers. It refers to changing or reforming a firm's marketing mix to suit to particular geographies in which the firm is operating.

Adaptive marketing is an approach that enables marketers to tailor their activities in unparalleled ways to meet their customers' interests and needs based on recorded data. It allows them to satisfy individual consumer needs in relation to a given brand. In lieu of the results of obtained, the present study recommends that firms that seek to improve their businesses and improve in their performance during disruptive eras like the Covid-19 pandemic should engage in or adopt adaptive marketing practices in relation to their products, pricing, promotion distribution.

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