

MARKETING PUBLIC RELATIONS IN THE FUNCTION OF MARKET OPERATIONS IN CRISIS SITUATIONS¹

Boris Kuzman², Nedeljko Prdić³, Anton Puškarić⁴

Abstract

Crises are such situations when it is not possible to do business objectively. The crisis itself threatens the business of the marketplaces and, ultimately, their survival. An example of a serious crisis at the global level is the “COVID-19” pandemic, which basically made the functioning and work of the marketplaces impossible. Observing such a situation, the aim of this paper is to establish relations with consumers and the rest of the public through the communication link in the conditions of crisis with the help of public relations marketing. The results show that the identity and image of the markets are the main advantage of their business and survival in crisis situations. The conclusion is that it is necessary to make the general public and specific target groups of importance interested for the work of markets based on marketing principles using modern information technologies and various types of personal communication with consumers.

Key words: *Marketing public relations, marketplaces, crises, consumers*

Introduction

Public relations marketing are one of the most important business functions of a company. In this century of development of information communications, public relations are an unavoidable activity of companies in communication with the interested public and consumers. In such working conditions, consumer care has a specific weight. The information age facilitates intensive and interactive forms of communication between markets and consumers and the interested public. Marketplaces mainly operate in the public sector and contribute to the development of rural areas, so social responsibility in crisis

-
- 1 Paper is part of project, funded by Ministry of Education, Science and Technical Development of Republic of Serbia.
 - 2 *Boris Kuzman*, Ph.D., Associate Professor, Senior Research Associate, Institute of Agricultural Economics, Volgina Street no. 15, 11060 Belgrade, Serbia, E-mail: kuzmanboris@yahoo.com
 - 3 *Nedeljko Prdić*, Ph.D., Research Associate, Institute of Agricultural Economics, Belgrade, Đorđa Servickog 2a/6, Novi Sad, Phone: 063 500-818, E-mail: ekonomistdoo@sbb.rs
 - 4 *Anton Puškarić*, Ph.D, Research Associate, Institute of Agricultural Economics, Belgrade, Volgina 15, tel: +381 11 6 297 28 52, e-mail: anton.puskaric@gmail.com

situations and changed circumstances is a characteristic segment of business. Marketplaces that operate on the principle of public relations marketing have a greater chance of realizing their business activities in crisis situations. If we know that marketplaces have a historical continuity in trade, as well as the fact that in times of crisis they are the main point of sale of agricultural products from rural areas, their corporate identity is a strategic tool and helps achieve the goals of public relations. When we set the corporate image of the markets on the crisis market as an image of the company, a competitive advantage of the markets can be created. A good image of the marketplace should be a consequence of traditional identity, business behavior, good work and successful communication.

The image in public is sometimes more important than reality itself. Public relations marketing in crisis situations can enable the predominance of image over market identity. In these circumstances, such as the crisis caused by the COVID-19 pandemic for consumers, often under the influence of various media, reality is not identity but image. The main goal of public relations marketing in crisis situations is for communication to be unique and applied in order to differentiate itself from direct and indirect competitors in times of crisis. Thus, the aim of the paper is to design a positive marketing investment through the perception of people as consumers. Every important business decision of the marketplace in crisis situations must be based on consumer perceptions. Consumer perception is based on what they know, or what they think they know. Consumers' buying decisions are based upon the concepts of value and image. Value is a combination of price and quality and can have a special ecological effect in the purchase of fruits and vegetables. The aim of the paper is to direct individual perceptions of people to buy goods in the marketplaces in such crisis situations. Even in the conditions of the cessation of the work of the marketplace, together with the sellers, they must find a way to supply consumers from domestic farms and rural areas. The research is based on a comparative method of marketing research using the historical method and the method of marketing research. The survey questionnaire collected the views of sellers on how to meet the needs of consumers in crisis situations. The goal of data collection is to measure the effects of personal and interactive communication through social networks.

Defining the concept of market operations in crisis situations

The very definition of a crisis shows a state in which one cannot operate normally. The crisis hampers the overall business of the economy. The work of marketplaces is of special importance due to the fact that their role is to supply the population with fresh agricultural products from domestic farms. Every crisis is reflected in business results, especially a crisis on a global level, such as the crisis caused by the COVID-19 pandemic. Marketing public relations as part of the business philosophy of marketing in operational terms takes care of establishing good communication with the public and consumers. In crisis situations, the management of identity and image is the most important interest of the internal and external public of the marketplace. The purpose of addressing the public is the desire to continue cooperation with consumers and emphasize the value of domestic products in times of crisis. Namely, the public is the most important factor that helps business in given situations and preserves the image and reputation. By controlling the crisis through public relations marketing, we make the most important business step that prevents a catastrophe. These activities from the internal part of the organization have the task of maintaining the business continuity of the organization. The operational management of public relations of the market must follow the overall social trends in times of crisis in the form of monitoring adopted laws, public instructions and be part of a system that prevents conflict and contributes to the supply and health of people. From the above said, we see that crises are not an unusual phenomenon, so they do not last for a limited time. The crisis must be managed, all with the aim of communication and control of events in the interest of the company. One of the most important elements of crisis management is defining its implications for market operations. The crisis of COVID-19 has endangered the foundations of business, with a sudden appearance and unknown in the world's scientific and health circles. This crisis has shown negative power, and that its successful overcoming is a matter of organization and events through open communication. In the continuation of the paper, we will deal with the very concepts of crisis situations.

The crisis is a period when the fundamental values of the company are endangered (liquidity, success, profitability and success potential). (Krstić et al., 2016). When the fundamental values of the company are endangered, it is necessary to maintain a positive image in the public, the goals to be achieved, how to implement them and how to measure the effects of overcoming the crisis. Interactive communications and innovation in business can be a good indicator of suc-

cessful communication with consumers in overcoming the crisis. Crises require specially trained people for marketing public relations, because they bear the entire burden of informing the external public about the causes of the crisis and ambitions in overcoming it. The crisis destroys fundamental goals, endangers or prevents the achievement of organizational intentions and goals, and perhaps the very existence of the organization. (Todorović, 2012).

If we place marketplaces in the above said opinion as places of supplying the population with fresh agricultural products, the crisis can have dramatic proportions in situations of the unknown. These scales can lead to major problems in the functioning of markets and even to their disappearance on the market. Bearing in mind that these are the sale of domestic agricultural products that mainly come from rural areas, they are necessary for human life and health, with the help of publicity and public relations, communication with consumers must be managed. According to the Oxford Dictionary, the meaning of a crisis is defined as a time of great danger, difficulty or confusion when certain problems must be solved or when important decisions must be made. (www.oxfordlearnersdictionaries.com).

Therefore, the crisis creates confusion and difficulties, so adequate response lies only in making timely decisions. Marketing public relations is an operational management function that can be used to make timely decisions in communication with political entities, the rest of the public and interested target groups. Mutual communication in the case of marketplaces is about managing problems and creating attitudes in the service of the public interest, especially since products from rural areas are mainly sold and contribute to the development of domestic agriculture in times of crisis.

Negative and positive effects of business in crisis situations

Crisis situations often arise due to the inability of management to manage or lead the company. There are various causes of business crises. Management incompetence is mainly related to bad business moves in assessing business, liquidity, credit indebtedness, etc. However, the crisis of global proportions has a completely different course that affects business, but also the health and life of people. The COVID-19 pandemic affected all sectors. The consequences of a pandemic are not and will not be the same for all economies or in the entire global economy. Some sectors may benefit financially, while others will suffer immeasurably. (Cvijanović i dr., 2021).

Crisis periods can be viewed from the angle of predictable events and the global crisis. The danger for the company arises from the negative business assumptions and not predicting the crisis by poor managerial management. These crises will become an imperative for business changes in the future. If we look at the marketplaces from this angle in the modern market environment, we realize that only one wrong investment decision that is not based on market research can shut down a company forever. Unpredictable crisis situations, such as the COVID-19 pandemic, give marketplaces a special aspect of being a place of holding social events. Namely, the sale of agricultural products and food for a large part of the population in those periods is the most important. Trust in marketplaces is traditional and the overall social effect of market work can be multiple. Therefore, it is very important that investments during and after the crisis are directed to the marketplaces as companies of public importance. These investments must be part of the overall social concern for people's health, concern for their social status and assessment of the danger to which marketplaces in the market are exposed. Given that it is in the public interest, the level of investment after the crisis must be at a level that keeps marketplaces competitive.

In the past period, the biggest changes in the market activity occurred as a consequence of the establishment of new, organised forms of supplying the population with various items, including fresh food. (Ostojić et al., 2013). We notice that the marketplaces are trying to maintain the traditional competitive advantage. This advantage is achieved by expanding the offer and increasing production in rural areas. The offer of fruits and vegetables and fresh food is connected with the concentration of the total offer and the selection of the offer of healthy domestic products. Market competitiveness can be improved through responsibility for the quality of services provided, good business results and active management of events in the interest of consumers. In order for companies to be competitive, they need to continuously adapt to external changes by integrating internal processes. (Salaman, 2001).

In order to position on the market and continuously adjust internal processes and external influences on business, it is necessary to create the image of the marketplaces through:

- Timely marketing research and market research on the attitudes of consumers and the general public

- Objective review and analysis of the obtained results from the point of view of marketplaces
- Publication of marketing investment strategy to the public
- Providing continuous information through public relations marketing
- Clearly defining the image of marketplaces and domestic agriculture that is sought to be reached
- Honesty in crisis situations
- Emphasising the integrated interests of marketplaces, sellers and consumers
- Marketing strategy defined according to the competition and its own target groups
- Respecting the integrity of competition and emphasising the traditional role of marketplaces
- Establish cooperation with the media through public relations marketing
- Proportional investment in marketing in crisis and regular situations
- Do public good through humanitarian aid, donations and sponsorships
- Design promotions and projects that are in line with market activities and rural development
- Consistency and strengthening of identity through public events in the marketplaces
- Maximum use of marketing as an investment in the future of the marketplaces.

In a crisis situation, it is of crucial importance for which strategy marketing managers will decide and the resolution of the crisis will be determined by the public relations sector, because the final outcome of the crisis will depend on it. (Horvatin, 2014). The details of the outcome in crisis situations depend on the profile of the company and the catastrophe that befell it. Success in times of crisis also depends on these communications. Through a survey questionnaire on a sample of 30 sellers of fruits and vegetables, at the Zeleni Venac Marketplace in Belgrade, Serbia, in the period from the 1st to 7th June of 2021. We surveyed sellers about communication with consumers in the period of 45 days when the marketplaces were not working, the results are as follows:

Have you had communication with your regular customers:

- Yes 45%
- No 55%.

How did you communicate with them:

- By telephone 30%
- By Facebook 30%
- By publishing an offer through various media 40%.

Are you satisfied with the income earned during the crisis:

- Yes 30%
- No 70%.

What would you change in your business if a similar crisis happened again:

- Maintain a consumer database 71%
- It would sell goods in cooperation with the marketplace through integrated and online marketing communications 20%
- I would not work 8%.

Analyzing the previous attitudes of sellers, we see their complete unwillingness to sell in times of crisis. Only with the onset of the crisis is there a tendency to run a consumer database. Their incomes are satisfactory given the fact that they faced the crisis completely unprepared. From the answers themselves, we see that in the future, the most important factor for them is the success of databases. The modern information age has enabled database management and communication in many ways and means. From the above said, but also from the analysis of the functioning of markets in the Republic of Serbia during the COVID-19 pandemic, it is clear that communication must be interactive and networked.

Unlike the traditional, the modern view of crisis management that is now being created before our eyes, due to the pandemic impact of COVID1-19 on all spheres of human interests and life, and thus on business, is even more comprehensive. (Jeftić et al., 2020). Looking at the marketplaces from the traditional and modern angle, as well as the competition, it is clear that risk

should be built into the business as a serious factor. This managerial concept must be proactively aimed at mitigating business crises and realistic to reduce and mitigate the overall consequences in a crisis such as COVID-19. The example of this catastrophe brings marketplaces into the focus of social concern because their work is conditioned by social stability, sustainable agricultural production and human health. The sale of domestic products from rural areas strengthens social stability in times of crisis.

Critical review and recommendations for improvement of marketing public relations in functioning of marketplaces in crisis situation

Period of crises demands especially trained people from spheres of communication science, psychological and sociological sciences, but also multidisciplinary knowledge of business operations of companies. These human resources must have knowledge and competencies in business economics and communication science. In such circumstances we must adjust ourselves to complex work and turn towards social community. The solution must be sought in basic setting of market business through serving to interests of sellers and buyers. Doing business in such situations is completely different and requires maximum of communication effort. As bases for crisis opposition, it is necessary to make business and marketing plan through:

1. Analysis of current situation and causes of crisis
2. Adopt the business plan in crisis situation
3. Choice of adequate human resources
4. Special education and preparation for working in crisis situations
5. Marketing strategy of communication through marketing public relations

If we want to actively oppose to crisis, it is necessary to take all needed steps and activities in order to fulfill goals of business and marketing plans. Efficiency of business project management in crises is not possible without active planning. The only objective prerequisite for business is implementation of all marketing plan steps. The plan has to be based on previous business analysis in crisis period, clearly determined and precisely defined. The process of plan realisation must be in the focus of marketing public relations activities.

If we measure integration and importance of individual instruments, then we separately may measure influence of instrument that complement each other, such as direct marketing, internet marketing and word of mouth. (Prdić et al., 2021).

These instruments in implementation require harmony through research competencies for the purpose of achieving good results and individual performances. In strategic role of work and survival of marketplaces in crisis situation, participation take farmers, especially those from rural areas. It is not necessary to stress increased influence of crisis on the society in case of agricultural production termination, hence is necessary to analyse social norms that anticipate consequences. Strategically directed marketing public relations service in crisis period serves to internet and personal communications directing, making unite communication network in the period of crisis.

Communication instruments should be harmonized, integrated and they have to lean on great number of different instruments to create unique message that may contribute to communication efficiency and increase of economic effects. (Prdić et al., 2019).

For determining model of marketing public relations in period of crisis, based on internet page data, we see that marketplaces give advantage to internet communication. Results of sellers attitudes from research show that the most communication is realized by internet and direct communication. The business of marketplaces is to direct communications between sellers and consumers, making integrated unique message. Internet may be efficient if marketplaces use it as marketing channel for the purpose of directing and channeling information. Integration of interests of marketplaces, agriculture producers and consumers, contributes to speed and efficiency of information that lead to economic effects increase. Internet enables string of feedback that in each moment in period of crisis may change model of communication and direct sales to other way. On the bases of research of marketplace functioning in crisis period, we may conclude that their reactions usually were delayed. It means that marketplaces have not organizational abilities to apply marketing public relations model in period of crisis. Special significance of interactive and direct communication in crisis period has contributed to information and data flow, which made possible communication between agriculture farms, sellers and consumers. Through harmonised communication grows the effect of sales security from rural areas, and it contributes to social stability during crisis.

After conducted researches, for purposes of this workpaper, the recommendation is that domestic marketplaces define strategy of marketing public relations in period of crisis. The analysis of public approach to marketplaces in period of COVID-19 demonstrated that domestic marketplaces have not adopted strategic approach to marketing communications and relations with consumers. The strategy of marketplaces in crisis period has to be harmonised with all social activities in struggle against pandemic. Therefore, business of marketplaces is efficient if we apply adequate strategy of marketing public relations by integrating our interests with sellers and consumers. Implementation of this business model for marketplaces in crisis period implies activation of all activities from business plan. Namely, the fact is that marketplaces offer the possibility of supplying the population in period of crisis, as institutions of traditional confidence. Hence, communication strategy has to be directed and performed on the principles of actual activities of marketing public activities. Besides this fact, marketplaces in crisis period enable work and production for agriculture economies from rural areas and increase of economic standard and social stability.

Conclusion

The conclusion of research presented in this workpaper is significant factor that may help to marketplace functioning in period of crisis. The research demonstrated that internet enables new ways of marketing public relations characterised by interactivity. This form of communication enabled some functioning and selling products to consumers. Analysis of marketplaces functioning during COVID-19 shows that marketplaces informed the public but they have not applied model of active communication through marketing public relations. Information mostly had one direction. Communication that conducted sellers from the survey during time of pausing in marketplace work, showed the lack of adequate data base of regular consumers and daily managing in communication and sale. It is proved, at least for internet, that there is relation between roles and models of marketing public relations and interactive bidirectional communication of sellers and consumers. Development and applying of marketing public relations has to be bidirectional and directed to all interested parts and other public. Marketplaces should make interested general public and specific target groups in agriculture and rural areas, using internet and personal communication during crisis, in order to supply consumers.

Literature

1. Cvijanović, D., Pantović, D., Đorđević, N. (2021): *Transformation from urban to rural tourism during the COVID-19 pandemic: The case of Serbia*, Sustainable agriculture and rural development, Institute of Agricultural Economics, Belgrade, (February, 2021), pp.123-132.
2. Crisis, Oxford American Dictionaries, www.oxfordlearnersdictionaries.com/definition/american_english/crisis, Accessed 1/3/2020
3. Horvatin, T. (2014): *Krizni menadžment kao odgovor na krizu*. <https://ekonomskiportal.com>, (mart 28, 2018). Accessed 1/3/2020
4. Jeftić, P., Mihajlović S LJ., Latin, R. (2020): *Moderni krizni marketing menadžment*, Ekonomski izazovi, Novi Pazar, V(9), br. 18, str. 110-120., doi: 10.5937.
5. Krstić, S., Krstić, D. (2016): *Uloga menadžmenta preduzeća u kriznim situacijama*, Oditor, Beograd, V (2), br. 1, str. 11-17.
6. Остојић, А., Дринић, Љ., Мирјанић, С., Вашко, В., Роквић, Г., Мрдаљ, В., Фигурек, А. (2013): Промет пољопривредних производа на зеленим и сточним пијацама у Републици Србији, Агрознање, Бања Лука, V(14), br. 4, str. 523-533., DOI: 10.7251/AGRSR13045230
7. Prdić, N., Kuzman, B., Damjanović, J. (2019): *Marketing research in the function of business efficiency*, Ekonomika poljoprivrede, Belgrade, V(66), iss.4, pp. 1039-1054, doi: 10.5937/ekoPolj1904039P.
8. Прдић, Н., Костић, С. (2021): Интегрисане маркетинг комуникације у функцији промоције пијаца, Култура полиса, Нови Сад, V (18), br. 45, str. 363-374, DOI: <https://doi.org/10.51738/Kpolisa2021.18.2r5.03>.
9. Salaman, G. (2001): *A response to Snell: The learning organization: Fact or fiction?* Human Relations, iss. 54, pp. 343-359.
10. Тодоровић, Ј. (2012): Односи с јавношћу у кризним ситуацијама, Сварог, Бања Лука бр.5, стр. 9-33, DOI br. 10.7251/SVR1205009T.