

Editorial: Lessons to Learn in Adapting to Market Uncertainty. Limitation of Perspective, Balance of Feedback, and Experimenting Along the Way



In our first RDC Magazine issue (Purcarea, 2010) we wrote about information, knowledge, education and culture, and invited the subscribers, advisory committee members, associate editors and the reviewers to take full advantage of this opportunity to contribute to a great agenda of sharing results by bringing confidence in critical times. We also expressed the belief that we will move forward thanks to their spirit of exploration, focus, innovation and consistency. Three years later, we used the following starting question: *“If the art of creating the brand can do better, could we all in the “global community” do better?”* Within this framework we showed that: *“We communicate more and more, and in different ways. We are talking increasingly more and more about our rights, and less about our responsibilities. And when we talk about the responsibilities, we are doing so looking more at other people, all of us knowing that the world is being shaped by ideas and by the way we are habituated to perceive. We watch, comment and act by imitating more, with more or less discernment in the context of information bombardment to which we are subject... On the other hand, we all know that, in the end, our life won’t change until we want it to change”* (Purcarea, 2013).

In November 2022, Colin Shaw, a LinkedIn ‘Top Voice’ & influencer Customer Experience & Marketing, as well a Financial Times Award Leading Consultancy 4 Straight Years, described the current environment as “very stressful, with many things you cannot

control, which makes a few things on the path forward uncertain”. He explained how after putting a poll question on LinkedIn received extremely interesting answers, as shown in figure below.

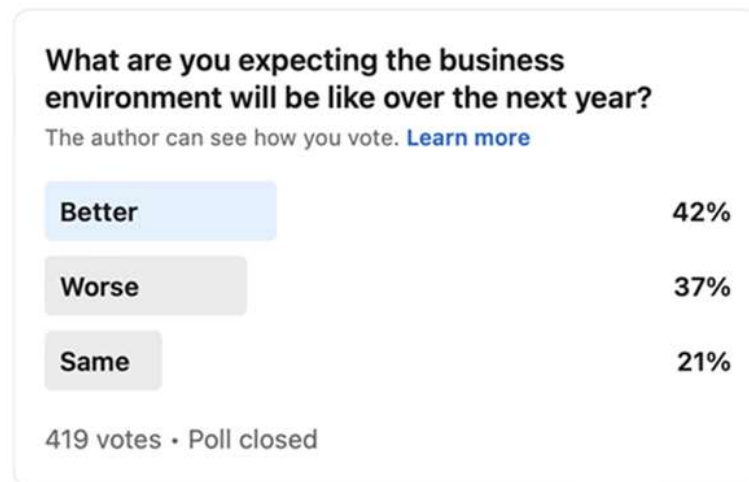


Figure no. 1: Poll question on LinkedIn: “What are you expecting the business environment will be over the next year?”

Source: Shaw, C., 2022. In an Increasingly MAD World, Here Are 5 Rules for Managing Uncertainty, LinkedIn Newsletter series, Tue, Nov 15, 6:57 PM (work cited)

Consequently, Shaw launched the invitation to talk about the way of managing uncertainty based on five rules (*Recognize uncertainty is uncomfortable; Remember, the upside of uncertainty is that it provides opportunity; Control the controllable; Be alerted to be prepared; Hope for the best and plan for the worst*), saying in conclusion that: “If you can look at things from a positive perspective and see things differently, you could come out even better on the other side.”

In the same month, a study by Insider Intelligence (Goldman, 2022) underlined that marketing leaders are being forced to adapt to market uncertainty by both shifting priorities, and embrace agility. This need of having a better ability to think and understand quickly is determined by their marketing priorities (marketing systems/technology, digital transformation, advertising and customer insights/data, and customer loyalty) and necessary channel investments (social media advertising, display and online video advertising, mobile app, website, and e-mail being the most critical customer touchpoints for marketing departments in 2023, as in 2022). With regard to metaverse, it is interesting to note that more than one in five respondents (22%) believe it will be a major focus (as channel investments) in 2023, a significant increase compared to 2022 (9%). And from the point of view of US marketing leaders’ expectations concerning the macroeconomic/market developments with the most impact on their business in 2023 we can see in figure below that inflation is placed in the first position.

Macroeconomic/Market Developments US Marketing Leaders Expect to Have the Most Impact on Their Businesses in 2023

Ranking Points

Macroeconomic/Market Developments	% of Point Allocation
US inflation	23.9%
US GDP growth	15.9%
US unemployment rate	15.4%
Global supply chain	13.1%
War in Ukraine	9.6%
Domestic competition	7.7%
Midterm elections	6.3%
International competition	4.2%
Regulation	4.0%

Note: marketers were asked to rank the top 5 options that applied to them from most impactful to least and assigned points accordingly.

Source: Insider Intelligence, "Marketing Leaders Survey 2022," November 2022

InsiderIntelligence.com

Figure no. 2: Macroeconomic/Market Developments US Marketing Leaders Expect to Have the Most Impact on Their Businesses in 2023

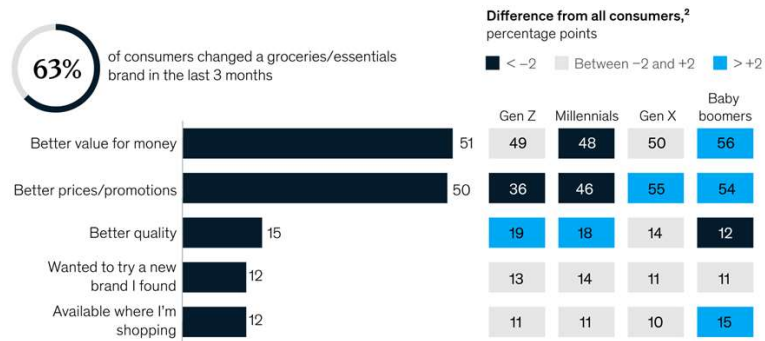
Source: Goldman, J., 2022. Marketing leaders are somewhat optimistic about the economy, but they are being forced to adapt to market uncertainty, Insider Intelligence, Nov 23, 2022 (work cited)

To navigate rising inflation, European retailers, for instance, can set up according to McKinsey's representatives (Bright et al., 2022) a control tower (a so-called centralized "inflation management office") acting on commercial effectiveness, resilience in supply chain and sourcing, and productivity in general and administrative functions (based on a longer-term action plan, of course).

And as consumers are dramatically impacted by inflation (Hamstra, 2022), it is imperative to pay attention to the already changed shopping behaviors. As revealed by McKinsey's research (Bazzoni et al., 2022), a quest for better value for money and better prices/promotions (see figure below) represent an obvious aspect of changed shopping behavior (because of consumers' need for more affordable both brands, and retailers).

Better prices/promotions and better value for money consistently are key reasons for switching brands.

Top reasons for choice of new brand for groceries/essentials,¹ % of respondents who bought a different brand than normal in last 3 months



¹Q: You mentioned you tried a new/different brand than what you normally buy in the last 3 months when purchasing groceries and other essentials (eg, toilet-ries, cleaning products). What were the main reasons that drove this decision? Respondents could choose up to 3 reasons.
Source: McKinsey & Company Europe Consumer Pulse Survey, 9/23–10/2/2022, n = 5,156 (France, Germany, Italy, Spain, UK), sampled to match European general population 18+ years

McKinsey
& Company

Figure no. 3: Better prices/promotions and better value for money consistently are key reasons for switching brands

Source: Bazzoni, E., Mijer, M., Jacob, M., Welcherling, S., Land, S. and Moulton, J., 2022. European consumer pessimism intensifies in the face of rising prices, McKinsey & Company Growth, Marketing & Sales Insights, Survey, October 27, 2022 (work cited)

In the summer this year, Preet Banerjee, a behavioral finance expert, showed how difficult was to precisely predict what's happening today, inflation being, for example, a consequence of a number of factors coming together immediately (Speakers' Spotlight, 2022). On the other hand, as very recently shown by Retail Brew (Newman, 2022), when consumers notice a product has been shrinkflated (downsized) they choose a different brand (48% of respondents, according to an August report by Morning Consult), and that within the context in which #shrinkflation videos on TikTok collected more than 296 million views, while on the social media website Reddit a shrinkflation subreddit (online community & posts associated with it) has more than 44,900 members.

Focused on effective leadership in difficult times, Christian Harrison (2022) underlined how vital in good leaders is to question the way things are done and make teams think in new ways (including by using mind-mapping, brainstorming and gamification) about existing challenges. Six years ago, Leigh Thompson, Professor of Management & Organizations, and Director of Kellogg Team and Group Research Center was cited for saying: *“When team members are thinking through different possible courses of action, then everybody can be writing cards that talk about a pro and a con. This helps build a balance of feedback... Let's talk about the positives; then let's talk about the negatives”* (Walsh, 2016).

More recently, we read about two great discussions:

- The first one, between Daniel Burstein, Senior Director, Content & Marketing, MarketingSherpa and MECLABS Institute and Jasmin Guthmann, Head of Corporate

Communication, Contentstack, and also Vice President of MACH Alliance (Burstein, 2022). And while talking about getting the marketer in the right mindset to really produce, Guthmann said: “... *applying things that you read in books can be hard. Sometimes it works, sometimes it doesn't. But an idea that I read and that I then tried out with the team is we start our weekly team meeting with gratefulness exercise.*” She made reference to a book that has a particular meaning written by James Clear, and entitled “Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones”. As we also read this book, allow us on our turn to cite a quote from this above-mentioned book: “*We all deal with setbacks but in the long run, the quality of our lives often depends on the quality of our habits. With the same habits, you'll end up with the same results. But with better habits, anything is possible. Maybe there are people who can achieve incredible success overnight. I don't know any of them, and I'm certainly not one of them... What I offer you is a synthesis of the best ideas smart people figured out a long time ago as well as the most compelling discoveries scientists have made recently. My contribution, I hope, is to find the ideas that matter most and connect them in a way that is highly actionable. Anything wise in these pages you should credit to the many experts who preceded me. Anything foolish, assume it is my error*” (Clear, 2018);

- The other one, between Katherine Tam, a member of McKinsey Global Publishing (McKinsey's New York Office) and the social-change strategist Jacob Harold, the cofounder of Candid (the former CEO of GuideStar), and author of a new book entitled “The Toolbox: Strategies for Crafting Social Impact”, John Wiley & Sons, December 2022 (McKinsey & Company, 2022). From the very beginning, Harold explained how within the context of the current very complicated challenges he made an effort to offer a set of tested tools to build a better world. He underlined the need of better understanding the limitation of perspective of each of us, and stated: *Information is a lifeblood of social change, and technology helps to enable that... We have to develop new techniques and a new kind of psychological resilience to handle this... It will play out differently for each person and in each sector. But my hope is that in the social sector, we can capitalize on the power of connection and information while still maintaining fundamental humanity that isn't mediated by technology... What we can do is keep a sharp eye on how things are evolving. We can experiment along the way. We can learn, change, and pivot. And all through that, we can figure out how to hold onto that fundamental human passion that drives the desire to make a better world. We can do that in a way that is enabled by technology instead of obscured by technology.*”

Without doubt, to build a better world within the above-mentioned current very complicated challenges it is difficult. But let us try to keep it simple along the right way, by keeping in mind that “*What is real is not the external form, but the essence of things*” (citing again the wise words spoken by the famous Romanian sculptor Constantin Brancusi).

Theodor Valentin Purcărea

Editor-in-Chief

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ADVOCACY AND COMPETITION POLICY

Report prepared by the Advocacy Working Group
ICN's Conference
Naples, Italy, 2002

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(Reproducere după ziarul Kölnische Rundschau din 19 mai 03)

Mrs. Deborah Platt Majoras, Chairman of Federal Trade Commission

March 27, 2007

First meeting, Bonn, Germany, May 19, 2003, of Deborah Platt Majoras (Assistant to the Attorney General, Department of Justice, US), Bärbel Dieckmann (Mayor of Bonn), and Theodor Purcarea (President of Romanian Competition Council)

Reproduction of a photo appeared in Kölnische Rundschau, May 19, 2003, presented in Romanian Trade Magazine ("Revista de Comerț, Tribuna Economică"), September 2003