Abstract: Although publications on the economic impact of the COVID-19 pandemic are widely available, papers on the economic impact of the COVID-19 pandemic on commercial firms, particularly marketing firms, are scarce. The aim of this exploratory study is to examine the impact of COVID-19 on the marketing industry in Serbia. Based on the variables generated from critical topics on marketing and the pandemic from the papers presented in the Literature Review section, we created a seven-point Likert-type research scale entitled “Pandemic Impact on Marketing”. The sample (n = 157) in the quantitative survey we conducted in November and December 2021 was intentional and predetermined. After confirming the sample was normally distributed, we conducted a reliability study of our 14-item scale. The calculated Cronbach’s Alpha was 0.791. Since the Kaiser-Meyer-Olkin measure of sampling adequacy was 0.776 and the Bartlett’s test of sphericity was Sig = 0.000, we further reduced our scale and yielded two interpretable components, Internal Success Factors, and External Success Factors. Finally, we conducted a series of parametric tests. The assessment of marketing experts from our sample on how successfully they coped with the pandemic was above average. They gave the overall success of their activities during the pandemic a rating of 5.01 out of 7. The marketing industry of Serbia has successfully dealt with the risks posed by the coronavirus pandemic.

Keywords: Marketing; COVID-19; Content Analysis; Research Scale; Quantitative Survey; Serbia.

JEL Classification: M31, I19, C19

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1. INTRODUCTION

The emergence of a previously unknown coronavirus type, which ultimately led to a worldwide pandemic, has impacted all societal activities across the globe. The pandemic induced by the SARS-CoV-2 virus and the COVID-19 disease resulted in an unprecedented crisis, unlike anything seen since the Spanish flu epidemic just over a century ago. Despite global efforts to stop the virus, it continues to spread at an alarming rate. The coronavirus pandemic is currently shaping our lives. The SARS-CoV-2 coronavirus has contributed to the most important transition in the world order, undermining the global and national economies. Inevitably, some sectors were impacted to a greater extent by COVID-19 than others. The aim of this paper is to examine the impact of COVID-19 on the marketing sector, specifically in Serbia.

The aim of this study is to consider the probable success of business activities of the marketing industry in Serbia during the COVID-19 pandemic. In the Literature Review section, we present academic papers on the activities of marketing companies realized under the impact of the COVID-19 pandemic. From the given papers, a content analysis was conducted, which generated critical topics, and from them research variables for our research were determined. We describe our study strategy under the Methodology section. The research question is proposed, and the details of the quantitative survey are discussed. In the Research section, we report the statistical tests performed using our scale “Pandemic Impact on Marketing”. Then, the findings of the survey are presented, which are analyzed in detail in the Discussions section. We finally offer some concluding remarks on the above, and propose avenues for future research.
2. MARKETING ACTIVITIES UNDER THE IMPACT OF THE COVID-19 PANDEMIC

The novel coronavirus SARS-CoV-2 that first emerged on 31 December 2019 in Wuhan, China, is the seventh virus from the coronavirus family (Dawood, 2020). COVID-19 (CORONAVIRUS DISEASE 2019) is the disease caused by the SARS-CoV-2 virus. The pandemic started as a global event. The next level of uncertainty came at the national level, which encouraged governments to manage the health crisis. Lockdowns and social distancing, as some of the government measures taken in response, increased uncertainty at the industry and firm levels. Therefore, the COVID-19 pandemic is not just a medical crisis; rather, it is a business crisis as well (Adžić & Al-Mansour, 2021a). Due to various rules and regulations during the pandemic that have, to date, included lockdowns, curfews, and suspension of commercial trading, many businesses have exited the market as an easy option to keep their losses to a minimum. The COVID-19 crisis in Serbia had more severe, negative impact on service sector firms than on manufacturing firms (Paunović & Anićić, 2021). On the other hand, some businesses have chosen other options and found ways to mitigate the consequences of the pandemic. Some industries in Serbia saw no negative impact of the COVID-19 crisis, or even that its impact could be considered positive (Paunović & Anićić, 2021). A study of the negative impact of COVID-19 on Serbian firms (Adžić & Al-Mansour, 2021b) showed how difficult it is for the Serbian economy to withstand the pandemic. The average negative impact of Covid-19 on Serbian firms was rated by Serbian managers at 2.99, which is very close to the mid-point of the scale of 3. Number 3, which is in the middle of a five-point scale and indicates a rating that is neither positive nor negative, still indicates the potentially devastating effects of coronavirus on companies in Serbia. Adžić & Al-Mansour (2021b) concluded that the external opportunities, which are the result of the measures taken by the Serbian Government and the Central Bank, have unfortunately been entirely negated by the external threats caused by the pandemic.

The Ministry of Finance and the National Bank of Serbia have adopted a series of fiscal and monetary expansion measures in their respective domains to offset the economic repercussions of the COVID-19 pandemic, totaling RSD 608.3 billion or € 5.2 billion (Topić-Pavković, 2020). These collaborative measures include (1) tax policy adjustments, (2) direct help to SMEs, (3) private sector liquidity preservation through preferential loans from the Development Fund, and (4) direct monetary assistance to every adult Serbian resident (Martin, 2020). According to the National Bank of Serbia (Tabaković, 2021), if the monetary and fiscal policy measures had not been implemented, Serbia’s economic activity would have fallen by more than 6% in 2020. Unlike the Eurozone, the Serbian economy has had low debt growth, with a well-capitalized banking system that is resistant to credit risk expansion (Nikolić & Filipović, 2021). However, Serbia’s present government strategy of a large budget deficit and increasing public debt might put the country in danger in the future (Labus, 2021). Predicting Serbia’s economic trajectory when the current outbreak stops would be exceedingly difficult. There will almost certainly be a slowdown in economic development, as well as a rise in unemployment, interruptions in supply chains, and a loss of buying power (Martin, 2020).

The current epidemic is wreaking havoc on economies all over the world, resulting in significant shifts in how firms and customers conduct themselves. Wang et al. (2020) stressed the crucial role of innovative marketing strategies and tactics in crisis management. In particular, consumer demand and buying behavior during the COVID-19 crisis have changed drastically, making it much more important for firms to rely on innovative marketing programs. An important feature of the current pandemic has been the unseen rise in internet and social media usage (Donthu & Gustafsson, 2020), with numerous communication options available (Larson et al., 2020). Skype, WhatsApp, and Zoom (among many others) skyrocketed in popularity, and the digital age of online, mobile, and social media marketing accelerated from adolescence to maturity in a matter of weeks (He & Harris, 2020). During the pandemic, the use of video conferencing technology skyrocketed, and Zoom has gone from being an obscure brand name to a commonly used and understood term (Kirk & Rifkin, 2020). The current orientation of consumers to buy from home is an answer to why modern IT technology is so critical to success in competing and surviving in a pandemic economy (Sheth, 2020). Lin et al. (2020) pointed out that E-commerce technology allows for strategic agility as well as operational adjustment during the COVID-19 pandemic. Moreover, effective digital innovations serve as tools for the urgent yet purposeful creation of a virtual community (Bacq et al., 2020).

During the earlier SARS pandemic in Hong Kong, the primary marketing tactic of the many restaurants was to change the marketing mix, i.e., to improve food
quality and service and to offer price promotions to incentivize potential customers to dine (Tse et al., 2006). The secondary tactic was quite specific to the outbreak, which was namely to decrease the perceived physical risk of dining in a restaurant. It was important to convey a clear and effective policy that guaranteed the sanitation of restaurant premises so that any potential risk of dining could be held to a minimum. Restaurant administrators advertised their cleanliness policies and the measures taken to protect their clients’ physical wellbeing. In fact, in addition to food quality and cost, many restaurants used cleanliness and hygiene as their main selling points. An increasing number of companies have seemed to realize that their long-term success and growth depend on a delicate balance between profitability and harmony with their customers (Crick & Crick, 2020).

The COVID-19 pandemic represents one of the most significant environmental changes in modern marketing history, which could potentially have a profound impact on basic marketing philosophy (He & Harris, 2020). COVID-19, like other events with global implications, has the ability to influence how we perceive the world, think about it, and live our lives. The economic and social changes caused by a pandemic-induced lockdown will leave a cultural legacy which will live long in our memories and those of future generations. Consumer decision-making at the moment appears to be motivated purely by self-interest and emotions such as fear, wrath, and anxiety. Kirk & Rifkin (2020) argue that as consumers become aware of the potential for a pandemic, they first react by attempting to defend against perceived threats and regain control of lost freedoms. As time passes, they cope by exerting control in other domains and adopting new behaviors. Eventually, consumers adapt over time by becoming less reactive and more resilient. Nevertheless, Luftkin (2020) argues that the psychology of panic buying (incl. stockpiling) is perfectly rational consumer behavior during crises with such a high level of uncertainty. The context of competition has also changed (He & Harris, 2020). During the pandemic, consumers, the public, and governments required and, in some cases, forced, collaboration for the common good. Long-term survival, strategic agility, significant social responsibility, possibly based on a societal marketing orientation, appear to be the most likely goals and objectives for marketing-oriented organizations. Polas & Raju (2021) highlighted the importance of firms relying on new artificial intelligence (AI) technologies to make marketing decisions during the COVID-19 pandemic.

Two-thirds of customers in a global survey of 12,000 consumers (Rogers, 2020) said that their future purchase decisions will be strongly influenced by how brands respond to the pandemic. Consumers have expanded their use of social media as a tool for identifying products, collecting information on products, evaluating products, and making product purchases, according to the findings of a research of 327 U.S. consumers (Mason et al., 2021). Thus, the findings demonstrate the growing importance of social media marketing since the COVID-19 pandemic began. In times of crisis, viral marketing is important for a given organization to maintain its continuity in providing its products and services, and viral marketing depends on the strength of social relations between the organization and its customers (Abbas & Ali, 2020). The higher the levels of trust on the part of the public towards the organization, the more successful the viral marketing campaign will be. A study conducted on 153 Serbian consumers (Lazarević & Marinković, 2021) showed that lifestyle trends related to travel, use of electronic shopping and payment channels, and a healthy lifestyle differ significantly before and during the COVID-19 virus pandemic. In a meta-analysis of such during the pandemic (Danciu, 2021), the main identified trends were cost reduction, priority given to meeting basic needs, changes in the structure of the consumer basket, increasing digitalization, increasing home delivery, reorientation to local shopping, and the greater importance of green content.

During the COVID-19 pandemic, nine business-to-business (B2B) marketing responses based on core business processes were divided into three categories (Kang et al., 2020): (1) embedded in product development management process (stretching product lines to meet urgent needs, expanding product lines to meet urgent needs, and adjusting products proactively with emerging needs), (2) built on supply chain management process (coordinating suppliers to meet surging demand, migrating to digital distribution channels, and solidarity with supply chain members), and (3) related to customer relationship management process (investing in advertising and promotion, cross-selling to existing customers, and supporting customers). In the short term, businesses may face several serious problems, including cash-flow shortages, the shutdown of facilities, and the disruption of the supply chain (Ding & Li, 2021). As a result, it is critical for businesses to adopt a variety of innovative tactics to ensure business survival. In the long term, the crisis could become an opportunity for marketing innovation and transformation, resulting in business growth.
and sustainable competitive advantage. In the context of sudden disasters such as the COVID-19 crisis, marketing innovations, compared to technological innovations, can be implemented relatively quickly to adapt to the new and changing customer demand (Wang et al., 2020). Therefore, marketing innovation is an effective strategy for firms’ survival during the COVID-19 crisis due to new and changing customer requirements. In practically every area, the epidemic has altered the commercial landscape. As a result of the uncertainty associated with the pandemic, a number of players in micro-, small-, and medium-sized enterprises (MSME) have seen a fall in income (Purba et al., 2021). However, many of them have survived, and indeed even thrived. Those who changed their business strategy are the MSMEs that have survived. These changes relate to the way they sell and promote their products. MSME players have chosen digital marketing through social media to improve the reach of their product promotion during the pandemic. Meanwhile, one of the survival tactics achieved by modifying the sales model is to use the e-commerce market as a means of selling (Purba et al., 2021). The e-commerce market has a much wider reach than traditional sales models.

There are examples of marketing success during the current pandemic, as well as examples of marketing failure. Because they function according to social network algorithms, cinema chains in Ukraine (Melnichenko et al., 2021) have involved followers in the conversation and are not losing their involvement because they come out at least once every three days. Such cinema chains not only commented on the possibility of buying certificates or delivering products from the cinema bar but also offered intriguing information about film making, broadcast live interviews with actors, celebrated celebrities’ birthdays, and so on. Taking the opportunity to become a fan of virtual community movies for your subscribers will boost the efficiency of cinema chains. Cinemas, on the other hand, should seize the opportunity to transform into a virtual community of film lovers for their subscribers. In order to stay connected and provide high traffic in the first months after the opening of the cinema, they should continue to regularly publish and conduct targeted advertising campaigns. Furthermore, cinema networks should take advantage of online cinemas by developing a new product – their own streaming platform – in collaboration with distributors or current platforms, which might attract additional consumers. After suffering large losses totaling nearly $ 3.2 billion in 2020 due to the pandemic (Lombardi et al., 2021), Starbucks, a U.S. multinational cafeteria chain, needs to work to stabilize its earnings. As COVID-19 resulted in the forcible closure of many Starbucks locations around the world and, further, changed the operating procedures of many others, Starbucks customers have temporarily lost the sense of a local cafeteria they want to keep coming back to. Being able to stay one step ahead of the competition in terms of product development, growth techniques, brand awareness, and user experience have long been the way Starbucks maintains customer loyalty. With the changing environment, Starbucks may want to reconsider its distribution decisions. Diversification of product delivery is necessary in these interesting times because there is no complete understanding of what the consumer market will look like after coronavirus. Price decisions are another important factor that Starbucks should consider in the near future. Given that the global pandemic has unleashed a significant financial burden on many people internationally due to a multitude of factors, many of its previous consumers may be more limited in the amount they are willing to spend on luxury, unnecessary goods such as Starbucks products. Understanding consumer purchasing behavior after COVID-19 and tailoring marketing strategies to their needs are imperative.

3. RESEARCH PROCEDURES AND DATA ANALYSIS

The aim of our exploratory research is to examine the impact of COVID-19 on the marketing industry in Serbia. In order to assess the opinions and attitudes of the respondents about this impact, primary research was created, and the following research question asked: “What business activities and with what success did the marketing industry of Serbia perform in order to maintain its market position during the pandemic?”. We adopted a scale variables approach. The variables were generated from critical topics on marketing and the pandemic from the extant literature. Although papers on the economic impact of the COVID-19 pandemic are readily available, papers on the economic impact of the COVID-19 pandemic on commercial businesses, particularly marketing enterprises, are somewhat rare. However, after several searches of the EBSCO database using terms such as marketing, business, marketing mix, and pandemic, we were able to obtain a reasonable number of papers. The content analysis of these papers, which was presented in the literature review section, has been
processed and analyzed in order to generate critical topics on marketing challenges during the pandemic. We generated twenty-seven critical topics, which are listed in Figure 1. Those critical topics are also highlighted in italics in the literature review section.

From twenty-seven critical topics we developed fifteen themes or variables for our survey (Figure 2) and subsequently created a seven-point Likert-type research scale entitled “Pandemic Impact on Marketing.” After each of the fifteen Likert-type questions, we gave the respondents two opportunities to explain the rating they gave in the form of multiple answers, some of which were already listed in advance in the questionnaire. Those who rated the variable with a high score of 5 to 7 had one choice of answer, and those who rated the variable with a low score of 1 to 4 had a different choice, with both groups having the additional option of an open answer. In the concluding part of the questionnaire, we left the possibility for respondents to give their personal comments and observations on the impact of the pandemic on marketing and their business. We followed a purposive sampling technique. In purposive sampling, subjects are specifically selected because they possess certain characteristics that the researcher predetermines before the study. We were only interested in collecting the responses of those who were active in the marketing industry during the pandemic. The population in this study was defined as “employees in marketing, either in the marketing sector of a business or non-business organization or a specialized agency for providing marketing services during the COVID-19 pandemic or those with expertise in marketing.” Accordingly, the sample was intentional and predetermined. The quantitative survey was conducted online via Google Forms in November and December 2021. We analyzed the data using IBM’s SPSS for Windows.

Regarding the distribution of our sample (Figure 3), the final number of employees in marketing, either in the marketing sector of a business or non-business organization or a specialized agency for providing marketing services during the COVID-19 pandemic or those with expertise in marketing who gave valid answers was 157 ($n = 157$). 58% or 91 of the sample were females, whilst 42% or 66 were males. Most respondents were 40-49 years old (74 or 47.1%), followed by the 30-39 age group (44 or 28%), 50-59 years (18 or 11.5%), 20-29 years (17 or 10.8%), and only 4 or 2.5% were 60 years or older. 90.4% of respondents were from the private sector, whilst the remainder were from the public sector (10), and the third sector (5). In the sample, we had two PhDs, 63 Masters,
69 Bachelors, and 25 participants without a university degree. Managers made up the majority of our sample, accounting for over 70%. Of these, 61 were from senior management, 38 from middle management, and 10 from the lower level. Our study also included 15 business owners, seven CEOs, 19 experts, six freelancers, and one administrative worker. The distribution was almost identical across the large, medium, and small companies – 33.8% were large, 36.3% medium, and 29.9% small. Finally, 86% of participants worked during the pandemic in the Serbian capital, Belgrade, as the capital is the focal point of the marketing industry.

The first step in our analysis was to test the normality of our "Pandemic Impact on Marketing" scale. The result of the Shapiro-Wilk normality test of \( \text{Sig.} = 0.071 \) confirmed the normal distribution of the results. A reasonably straight line for the normal probability Q-Q Plot (Figure 4) indicated the same. The normal distribution allowed for the use of parametric tests in our further analysis.

The next step in our analysis was to perform a reliability study for our scale. The internal consistency of the scale can be rated as 'good' because the calculated Cronbach's Alpha was 0.784, which is considered acceptable. Nevertheless, item twelve (During the pandemic, we adjusted prices to the new reality and consumer needs) had a low correlation coefficient of 0.168. Values lower than 0.3 indicate that the item was measuring something different from the scale as a whole. Therefore, we excluded this item, which consequently raised the Cronbach's Alpha to 0.791. In further testing, we decided to use the reduced "Pandemic Impact on Marketing" scale of fourteen items (Table 1). The calculated mean of the impact of COVID-19 on the marketing industry in Serbia, i.e., the average score of the 157 participants for these 14 questions, was 5.01.

Our scale could be further reduced through factor analysis. Factor analysis will reduce the dimensionality of a dataset with a large number of interrelated variables while retaining as much variance as possible. Therefore, we performed a factor analysis and concluded that our scale is adequate for the analysis since the Kaiser-Meyer-Olkin measure of sampling adequacy was 0.776, and Bartlett's test of sphericity was significant, since \( \text{Sig.} = 0.000 \). The principal component analysis revealed four factors with eigenvalues above 1, explaining a total of 61.5% of the variance. However, since the eigenvalue criterion does not lead

<table>
<thead>
<tr>
<th>Figure 2. The research variables</th>
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<tbody>
<tr>
<td>1. Our revenues and market position improved during the pandemic.</td>
</tr>
<tr>
<td>2. During the pandemic, we did not lose jobs, close plants or offices.</td>
</tr>
<tr>
<td>3. We had no problems with cash flow during the pandemic.</td>
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<tr>
<td>4. We had no problems with suppliers during the pandemic.</td>
</tr>
<tr>
<td>5. During the pandemic, our IT technology was modern and satisfying.</td>
</tr>
<tr>
<td>6. During the pandemic, we achieved digital innovations that had a positive impact on our business.</td>
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<tr>
<td>7. We innovated our marketing strategies, tactics and programs during the pandemic.</td>
</tr>
<tr>
<td>8. We have successfully communicated with consumers through social networks and digital viral marketing channels on a larger scale than before during the pandemic.</td>
</tr>
<tr>
<td>9. We took advantage of home shopping and increased online sales during the pandemic.</td>
</tr>
<tr>
<td>10. We correctly understood the changes in consumer behavior during the pandemic and responded to them adequately.</td>
</tr>
<tr>
<td>11. During the pandemic, we continued with the process of product and brand development.</td>
</tr>
<tr>
<td>12. During the pandemic, we adjusted prices to the new reality and consumer needs.</td>
</tr>
<tr>
<td>13. We have established new forms of cooperation with organizations with which we already did business before the pandemic.</td>
</tr>
<tr>
<td>14. We have established new forms of cooperation with organizations with which we did not do business before the pandemic.</td>
</tr>
<tr>
<td>15. During the pandemic, our basic understanding of marketing changed qualitatively.</td>
</tr>
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</table>
**Figure 3.** The distribution of our sample

<table>
<thead>
<tr>
<th>Position in the organization</th>
<th>Level of the education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>High school</td>
</tr>
<tr>
<td>CEO</td>
<td>College</td>
</tr>
<tr>
<td>Upper-level management</td>
<td>Bachelor</td>
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<tr>
<td>Middle-level management</td>
<td>Master</td>
</tr>
<tr>
<td>Lower-level management</td>
<td>Doctorate</td>
</tr>
<tr>
<td>Expert</td>
<td></td>
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<tr>
<td>Administrative worker</td>
<td></td>
</tr>
<tr>
<td>Freelancer</td>
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</tbody>
</table>

**Figure 4.** Normal Q-Q plot
to precise results, we decided to reduce the factors to two. The two factors were rotated using an Oblimin rotation procedure. The rotated solution yielded two interpretable factors or components (Table 2). More than 45% of the variance was explained by the two-factor solution, with factor 1 contributing 29.6% and factor 2 contributing 15.4% of the variance. All 14 items have values exceeding 0.3. It was observed that there was a moderate positive correlation between the two factors ($p = 0.207$).

We conducted a series of parametric tests to check the possible statistical significance among the means in our sample of marketing professionals. None of the tests revealed statistical significance at the .05 level, i.e., by gender ($t(155) = 1.752, p = .082$, by age $F(4, 152) = 1.535, p = .195$, by ownership $F(2, 154) = .495, p = .611$, by level of education $F(4, 152) = .376, p = .825$, by position in the organization $F(7, 149) = .509, p = .827$, and by the size of the organization $F(2, 154) = 1.904, p = .153$.

### 4. DISCUSSION OF THE RESULTS

It seems that the marketing industry in Serbia has successfully resisted the epidemic, as our participants noted. The success of all measures, measured on a seven-point scale, was rated at five, or more precisely at 5.01. The overall evaluation of Serbian managers of the impact of the epidemic on the business of the Serbian economy was in the middle of a five-point scale (Adžić & Al-Mansour, 2021b). The rating of marketing experts from our sample was above average and is significantly higher than the rating around the average of Serbian managers. As some industries in Serbia have not seen any negative impact of the COVID crisis (Paunović & Anićić, 2021), it seems that the marketing industry is most likely among them. Not only was the overall score was higher than average, but all activities undertaken by marketing organizations during the pandemic, expressed by variables in the survey, were ranked above average. Moreover, there was no statistically significant difference between the groups of respondents in our sample. Both by gender and by education, young and old, managers and directors from companies of different sizes and different ownership almost unanimously ranked their position as auspicious during the pandemic. On average, they rated their market positions as viable, and they believed that the marketing sector was prepared to deal with the hazards posed by the coronavirus pandemic. The highest score of 5.86 and the lowest score of 4.08 were good indicators of the satisfactory level of resilience amongst marketing professionals and, indeed, the entire marketing industry.
Seven variables are greater than the average of five, while seven are less than this average. The following variables are among the first seven, listed in descending order from the highest-rated: (1) We continued with the process of product and brand development, (2) Our IT technology was modern and satisfying, (3) We correctly understood the changes in consumer behavior and responded to them adequately, (4) We have successfully communicated with consumers through social networks and digital viral marketing channels on a larger scale than before during the pandemic, (5) We innovated our marketing strategies, tactics and programs during the pandemic, (6) During the pandemic, we achieved digital innovations that had a positive impact on our business, and (7) We continued with the process of product and brand development.

Product and brand development were rated with the highest score of 5.86, which implies that these actions contributed the most to successful business during the pandemic. Over 80% of respondents claimed that increased budgets for the development and the launch of new brands represent the means to compete and profit in the market during the pandemic. When a crisis strikes, it should be more invested in development. Here, the period following COVID should be considered. Companies that experienced business interruptions cut their development budgets. As a result, the market positions of these companies have deteriorated. Approximately 15% of our respondents worked in such businesses. Modern IT technology has clearly been advantageous during the pandemic-induced switch to internet commerce. This variable had a rating of 5.77. Three-quarters of respondents claim that their companies have previously had modern IT technology; of the other respondents, only one in three estimated that they had been able to renew their IT equipment in a satisfactory manner during the pandemic. The importance of understanding changes in consumer behavior and how to respond to them was ranked highly, with a score of 5.43. According to 70% of the answers, first, a large and updated user database is needed, and it is then necessary to build a successful model of communication in crisis situations. During the epidemic, a minority of companies failed to adapt to changing consumer demands, claiming internal organizational issues as the reason. An important factor in the success of the marketing industry during the pandemic, estimated at 5.40, was enhanced communication with consumers through social networks.
and digital viral marketing channels. Half of those who rated this variable highly were already advanced with regard to social media and viral marketing even before the pandemic, while others who grabbed at this trend rated the effects as great. Of course, 10% of respondents admitted that either customers did not react well to their actions or that the earlier negative experiences, prior to the pandemic, prevented them from communicating via social networks. Changing market conditions also required innovative marketing strategies, tactics, and programs. The ratio of those who improved creative communication by successfully using video conferencing and similar IT technologies, in relation to those who failed to work from home, is as high as 20 to 1. The success of these actions has a score of 5.39. Innovating marketing strategies, tactics, and programs were the responsibilities of crisis management. Thenot losing jobs and closing plants or offices variable was rated at 5.31. The best results were achieved by those who had either firm contracts with clients or those who had clients whose work was not affected by the pandemic. Nevertheless, 20% of respondents reported a fall in client marketing budgets or even a complete loss of clients. Finally, digital innovations achieved had the lowest result above the average, and above five with a score of 5.22. More than a third of respondents said that successful digital innovations had been implemented prior to the pandemic, while almost half did so during the pandemic and assessed that it contributed significantly to business improvements.

The remaining seven variables that were rated below average are listed here in ascending order from lowest rated to highest rated: (1) We took advantage of home shopping and increased online sales, (2) Our revenues and market position improved during the pandemic, (3) We had no problems with suppliers, (4) We had no problems with cash flow, (5) We have established new forms of cooperation with organizations with whom we did not do business before the pandemic, (6) We have established new forms of cooperation with organizations with whom we already did business before the pandemic, and (7) Our basic understanding of marketing changed qualitatively.

Home shopping and increased online sales were rated the lowest at 4.08, indicating that these actions contributed the least to successful business during the pandemic. As many as one-third of the respondents were not engaged in online sales, which is an indicator of the still undeveloped segment of online sales, especially outside the capital, Belgrade. Furthermore, the fact that just one-fifth of the respondents began online sales during the pandemic demonstrates that there is still a lot of room for growth in this area. Improved revenues and market position during the pandemic were at 4.22 in second-to-last place. As many as half of the respondents acknowledged seeing a decline in income, both due to poorer business of clients, and due to the reduced efficiency resulting from working from home. However, the companies of our respondents were mostly resistant to a greater decline in revenue. One-third of respondents reported no supply chain problems, another third had business interruptions due to problems with suppliers, and the last third quickly and successfully reoriented to new suppliers. This factor relevance, i.e., the importance of a continuous supply chain, is rated 4.55. The variable having no problems with cash flow was rated 4.72. More than half of the respondents stated that they were late with payments due to the pandemic and the loss of a certain number of clients, but only one respondent stated that cash flow disruptions ultimately induced the need for salary cuts. More than a quarter of respondents said that their clients paid their debts on time, while 15% of respondents even signed contracts with new clients, which improved their cash flows. Establishing some new forms of cooperation, either with organizations that participants already did business before the pandemic or with organizations with which they had not done business before, is also a below-average assessment of pandemic response measures. Cooperation with organizations with whom respondents had previously collaborated (4.89) was somewhat higher valued than cooperation with new organizations (4.80). About 15% of respondents did not want to engage in any new cooperation due to the increased uncertainty in the market, whereas two-thirds of respondents worked in proactive companies that achieved new forms of cooperation in order to obtain new clients and jobs. More than half of the respondents also pointed out that social responsibility has always been an integral part of their organization’s mission and that, in times when only profit is not important, they have exhibited greater solidarity with those affected by the pandemic. There were also organizations that lacked a vision of increased social responsibility in times of crisis, as illustrated by the pandemic. Approximately 10% of the respondents worked in such companies. Finally, with a score of 4.94, which is only just below average, the last variable from the below-average group was evaluated - due to the pandemic, our basic understanding of marketing has changed qualitatively. 5% of respondents admitted that they did not do so and that they lost market share,
while 45% stated that market disturbances forced them to better understand consumer needs and the importance of marketing. Of those who also provided an explanation for their answers, about 20% of the total sample said that during the pandemic they realized that marketing was key to business.

By factor analysis, we yielded two interpretable components or factors. Component 1 could be referred to as “Internal Success Factors”. It consists of proactive and predesigned actions on the part of organizations in order to preserve and enhance their market positions. Component 1 factors are, in descending order: understanding the changes in consumer behavior, successful communication with consumers through social networks, changes in the basic understanding of marketing, innovative marketing strategies, tactics and programs, digital innovations, new forms of cooperation with organizations we did business before, home shopping and online selling, product and brand development, new forms of cooperation with organizations we did not do business before, and modern IT technology. Component 2 could be referred to as “External Success Factors”. These are reactive actions on the part of organizations whose need arose after changes in the market, and to which the correct response is a condition for preserving market position. Component 2 factors are, in descending order: not losing jobs or closing plants or offices, stabilized cash-flow, improved revenues and market position, stabilized supply-chain, modern IT technology, and successful communication with consumers through social networks.

We correctly understood the changes in consumer behavior during the pandemic and responded to them adequately had the strongest correlation of 0.759 in Component 1, which implies that consumers are indeed the most important in marketing, as all textbooks on the matter suggest. Consumers should be in the center of overall marketing activities. „The key is to listen and adapt to the needs of consumers in the current circumstances of the pandemic,” one respondent remarked. The following variable We have successfully communicated with consumers through social networks and digital viral marketing channels on a larger scale than before during the pandemic achieved a correlation above 0.3 for both factors. With a positive correlation of 0.717 in Component 1, this activity ranked second in terms of significance. The negative correlation of -0.356 indicates that organizations who have not taken advantage of the rapid trend of moving to online and social networks would deteriorate in the market, and that these technologies are required for successful communication with customers. According to one respondent, communication through this channel is vital because “COVID had the greatest impact on the awareness of the importance of the speed of information transfer and the availability of information to everyone.” Another respondent stated, “Good content and online communication have shown that only thanks to marketing can they reach new customers.” In the times of market change, it is necessary to understand qualitative changes in marketing and accordingly innovate marketing strategies and programs, as we see from the high correlations for During the pandemic, our basic understanding of marketing changed qualitatively and We innovated our marketing strategies, tactics and programs during the pandemic with factors of 1 of 0.673 and 0.635, respectively. One of our respondents correctly pointed out in his final comment that: “COVID has brought an acceleration of changes and trends that might be imposed naturally but over a longer period of time.”

After, conditionally speaking, the fundamental and conceptual activities necessary for success in the time of the pandemic, explained with the first four variables, follow the variables of Component 1 for those specific internal activities of organizations that proactively reacted to the changed reality. These are digital innovations (During the pandemic, we achieved digital innovations that had a positive impact on our business) with a correlation of 0.631, new types of cooperation with partner organizations (We have established new forms of cooperation with organizations with which we already did business before the pandemic) with a correlation of 0.612, online selling (We took advantage of home shopping and increased online sales during the pandemic) with a correlation of 0.587, product and brand development (During the pandemic, we continued with the process of product and brand development) with a correlation of 0.491, and socially responsible and engaged actions (We have established new forms of cooperation with organizations with which we did not do business before the pandemic) with a correlation of 0.394. Finally, the correlation coefficients of 0.359 in factor 1 and 0.486 in factor 2 demonstrate how important modern IT technology is in today’s businesses. This variable During the pandemic, our IT technology was modern and satisfying was not only a vital internal measure for maintaining market position during the pandemic, but it was also a necessary measure of growth and development prior to it. Comments from our responders such as “E-commerce is a new reality”, “In general, online shopping has increased significantly during the pandemic”, and “The pandemic has
just shown that the future is digital”, underlined the necessity for sophisticated IT equipment.

Other variables of factor 2 are possible traps that must be addressed properly and in a timely manner in order to survive in the market. Indeed, if a company in the marketing industry does not lose business or close its plants during a pandemic, if it has no cash flow problems, if it even improves its market position and revenues, and if it does not experience supply chain disruptions, such a company will be able to maintain a stable position and secure market growth.

The correlation factor for During the pandemic, we did not lose jobs, close plants or offices was 0.794, We had no problems with cash flow during the pandemic was 0.756, Our revenues and market position improved during the pandemic was 0.718, and We had no problems with suppliers during the pandemic was 0.565. A company should react immediately to all potential disturbances that arise externally if it cannot anticipate them; as one respondent correctly commented, “The pandemic has opened new perspectives for marketing, the most important thing is preparation and quick reaction to changes.”

5. CONCLUSION

The marketing industry in Serbia demonstrated a high level of resilience during the COVID-19 crisis. Serbian marketing experts rated the overall success of their pandemic activities at 5.01 out of 7. Moreover, the parametric tests conducted did not reveal statistically significant differences between the groups in our sample. Not only was the overall score higher than average, but all the activities undertaken by marketing organizations during the pandemic, as expressed by the survey variables, were ranked above average. In order of importance, our respondents rated the following activities as follows: product and brand development, modern IT technology, understanding the changes in consumer behavior, successful communication with consumers through social networks, innovative marketing strategies, tactics and programs, not losing jobs or closing plants or offices, digital innovations, changes in the basic understanding of marketing, new forms of cooperation, stabilized cash-flow, stabilized supply-chain, improved revenues and market position, and home shopping and online selling. We could argue that the Serbian marketing industry has successfully resisted the pandemic. The best concluding comment from our respondents was: “Giving up marketing in a crisis situation is a reckless move”;

the marketing industry of Serbia did not give up on marketing and thus maintained a strong market position during the COVID-19 pandemic.

The results presented were obtained thanks to the “Pandemic Impact on Marketing” scale we developed for the purposes of this research. Research variables were generated from critical topics. The results of the analysis of the content of papers on the challenges the marketing industry faced during the pandemic yielded a number of critical topics, which are provided in the literature review section. Out of twenty-seven critical topics, we developed our “Pandemic Impact on Marketing” scale with fifteen variables or Likert-type questions. Whilst testing the reliability of the scale, we removed one variable with a low correlation coefficient and reduced the “Pandemic Impact on Marketing” scale to variables items.

We further reduced the dimensionality of a dataset through factor analysis. By analysis, we obtained two interpretable components that we refer to as Component 1 and Component 2. Component 1 – Internal Success Factors – consists of proactive and pre-designed actions that an organization can take in order to preserve and improve their market position. Component 2 – External Success Factors – are reactive actions taken by organizations that occurred as a result of market changes, the proper response to which is the requirement to maintain market position. We believe that these success factors represent appropriate guidelines for all organizations in the marketing industry on how to survive and succeed in the market during the turbulent changes caused by the COVID-19 pandemic. Further testing and refinement of our research scale and the extension of our research on the marketing industry to other countries during the pandemic are possible directions for future research.

The limitation of this quantitative research, which we noticed during the design of the questionnaire, is our intention to cover the problems of both B2C and B2B marketing during pandemic with one questionnaire. We also saw in the answers of our respondents that the questions are not relevant for everyone. However, without direct contact with the respondents, it is not possible to find an answer as to whether the respondent operates exclusively or predominantly in B2C or B2B marketing. The question is whether the respondent understands the difference between B2C or B2B, and it would be especially difficult to define in the survey what it means predominantly, whether it is the number of jobs, earned income or similar. This line of research requires a qualitative approach and interview-based research technique.
DATA AVAILABILITY STATEMENT: The data that support the findings of this study are openly available in Mendeley Data at http://doi.org/10.17632/8z9pg3nxyp.1.

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Literature:


**Ključne reči:** marketing, COVID-19, analiza sadržaja, istraživačka skala, kvantitativno istraživanje, Srbija.

**Sažetak:**

**Merenje uticaja Covid-19 pandemije na marketing industriju Srbije**

Slobodan Adžić, Stefan Ivanović


**Ključne reči:** marketing, COVID-19, analiza sadržaja, istraživačka skala, kvantitativno istraživanje, Srbija.

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