

The Role of the Enterprise Cultural Heritage in Times of Crisis and Legacy Management Principals. Marketing Approach

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Abstract Nowadays, each company or organization trying to build a strong brand out of its products or corporate name. Why is it happening? Because consumers are different now – people aren't looking just for the product's physical characteristics or satisfaction of their physical wants and needs; they pay more and more attention to the soft assets and intangible characteristics of the product. We are diving deeper into the virtual world and pay more attention to intellectual things. Consumers are more intent to be part of the value co-creation process and share the brand values many researchers say. A brand could be defined as an intellectual part of the product, which has a strong positive connection to the consumer and brings extra value to the product or a company in a consumer's perception. [17] What can bring this positive connection? There are three levels of brand communications: "how we look"; "how we talk"; "how we act". [1] Managing all of them we could create a good story of your brand, which matches the customer's lifetime value system and build that positive connection. In other words — the good story brings you clients and adepts who bring you money and benefits. Building a company's history or a legend, we create and manage enterprise cultural heritage and this legacy turns to the revenue over time. In terms of understanding a brand's legacy perception, we use the Chernatony-Thompson model, which gives us the look to the emotional and intellectual consumer's connection to the brand. We conducted the exploratory survey and get an understanding of the Plekhanov Russian University of Economics (PRUE) brand value students' perception and set its brand equity basis - the university has over a hundred years of traditions and history. Also, as a result, we present the examples and analysis of the brand legacy creation and management of the Enterprise Cultural Heritage process at the first and oldest marketing department in Russia. We see the importance of the work in modern conditions and time of global changes because education and science in the field of life where, by building the legacy, you're creating the future! The study composed as the first part of exploratory research to identify the problems of enterprise cultural heritage perception by the target audience. The result includes a theoretical basis and current situational analysis and preset for the model of company legacy management.

Keywords Brand, Branding, Marketing approach, Marketing, Enterprise cultural heritage (ECH), Company legacy, Legacy management

1. The Problem

Nowadays, the global and local economies and entrepreneurship facing different challenges — not only market competition growth, but also several serious financial crises spread its negative influence on the different levels and areas of business. And now, many entrepreneurs have to deal not only with the financial issues - more and more dramatically appear problems based on people's opinion, beliefs, cross-cultural differences, their life value basis, and

other intellectual and intangible things. The D&G example with a misunderstood advertising campaign in China shows us the power of customers who disagree with the company position. Tweets and personal thoughts of a single employee may cause a situation where companies have to apologize officially and hope that they didn't lose their clients for good.

Due to the fact that consumers now are more subject to the influence of public opinion, severe market restrictions, dark market conditions or political misunderstanding, organizations are forced to look for new ways to increase the effectiveness of their marketing activities. This happens through: the search for new forms of interaction with their current and potential customers, as well as new forms of organizing marketing activities, predictive adaptation to changing local and global market conditions, improving the marketing mix and marketing management, as well as access to new strategic types of marketing activities that meet the

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Published online at <http://journal.sapub.org/ijire>

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needs of our time. As the result of consumers and market changes together with the rising supply and requirements to players in most markets, we have also to admit the transformation of the methods for searching, receiving and analyzing information about goods and services by ultimate consumers, who become more and more "digital".

The changing attitude to classical advertising and communication policies of companies and the increasing costs of marketing activities of enterprises make companies to develop universal marketing tools, multitasking and multi-sensory, which include activities on the formation and management of cultural company heritage, with the goal of strategic and tactical promotion of companies, its services, products, and brands. For a long time now, Russian and Western marketers have noted the growing role of new unconventional strategic marketing solutions that provide leadership positions and a stable position of companies in the market.

The growing role of emotional intelligence in the management and marketing activities of organizations, the development and implementation of the principles of value-oriented marketing shows the best consumers respond to company activities which refers to their psychology, motivation and consistent with their internal "cultural code". In this situation, the management and development of the enterprise cultural heritage, based on the correspondence with the cultural values of all participants of the process, is becoming a popular tool for communication and market behavior strategies of companies. [10,13]

The concept of enterprise cultural heritage (ECH) is very capacious and may cover a wide range of objects, both tangible and intangible. However, any well-established definition is absent. The existing definitions of the concept of ECH in scientific literature reflect its relative value for large social groups. We consider the historical and cultural heritage as a complex of tangible and intangible objects and attributes that formed the conditions for the existence of the enterprise and kept to this day by the company and consumers. ECH includes both - outstanding examples of creativity or achievements of former and current employees, as well as typical objects of tangible and intangible culture created by the company together with its natural environment influence and corporate social responsibility policies. In its diversity, the historical and cultural heritage is the only objective source of full information about the company's previous activities and its results for the customer. [15]

2. Brand Idea

Marketing approach to the different spheres of management declares a very humanistic position that consumers' opinions and expectations should be noticed, studied and regularly analyzed for more efficient business. Nowadays this study includes more psychological,

behavioral and personal characteristics of the target audience since people start to build personal communication with the brands based on their personal perception and values. The idea of branding together with the integrated communication approach makes the management process more complicated because this process includes management of intangible characteristics such as customer loyalty management, creating proper positioning based on the values of the target audience, developing that extra-value and delivering it to the ultimate consumers and etc.

The communication process became more wide and integrated — we have to manage our communication and to control value delivering on the stage 'before making a purchase', 'during the purchasing process' and 'after the purchase'. [1,17] D. Aaker called this cycled process "brand contact wheel" where the companies have to build the properly integrated and consistent communication system on each stage. Integrated marketing communications (IMC) combine various channels and tools of products or services promotion to a customer, deliver the brand value and build personal communication with the client. IMC considered in marketing theory as "a systematic relationship between business and the market (customers) in order to convey ideas, modify behavior and stimulate the specific perception of products and services by individuals that are aggregated into the target market." [8,10] But now we talk more about the concept of integrated branding. Integrated branding is an organizational strategy used to manage a company and product, in which all actions and appeals are based on the values that the company brings to its own business. [8] However, integrated branding is more than just a communication strategy or a set of messages. It affects the organizational structure of the company: how it makes decisions, its strategic orientation, corporate culture, public position, and customer relations. [A. Grishin, 2013]

3. Managing the Legacy

Now, there is no fully developed unified scientific concept and ECH management system that allows a systematic review of its constituent elements and processes that accompany or underlie the implementation of its programs. Some of the theories studied in terms of branding, PR and general management. At the same time, such a concept will make it possible to more use the potential of companies effective and take legacy management as an independent type of its marketing and management activities.

Where should we start? First of all, we need to define what people take as a company heritage and how they react to this. Based on the fact that in practice, the internal attitudes of consumers do not always correspond to the values cultivated by the company, we offer to use the method of conformity assessment proposed by Thomson [11] to assess how internal attitudes of employees correspond to the brand values of the company, which in the interpretation of the brand as the

cultural heritage of the company (ECH), we can present as the company's heritage that we are discussing. Since consumers raise their will to be part of the value co-creation process, such a technique can also be extrapolated to consumers' assessment. We propose to adapt and apply this matrix as the basis for planning activities to create and convey the core values of the company and its traditions to the target and contact audience. According to Thomson, this assessment is made in two ways:

- Intellectual involvement (which in our case demonstrates awareness and understanding of the company's values, along with the perception of consumers about their own role in relations with the brand).
- Emotional involvement (which demonstrates and evaluates the enthusiasm, inspiration, and willingness of consumers to promote and translate corporate (or similar) company values in their own lives, forming brand advocates from consumers). [11]

As a result of such a dual assessment, a matrix is formed that demonstrates how consumers are intellectually and emotionally involved in the process and connected with the company. There are four categories can be distinguished depending on this involvement:

- "Supporters" (they are fully aware of the corporate values of the company, share them, there are "advocates" of the company and promote its values to others)
- "Observers" (they are aware of the corporate values of the company and understand their importance, have the ability and understanding of how to bring these values to life, but they are not emotionally involved in the process of realizing these values)
- "Single shots" (they are emotionally involved in the process of formation and promotion of company values, but do not fully share them or do not fully understand the goals of the company and its values)
- "Weak link" (neither emotionally or intellectually involved in the formation of company values and not involved in their implementation or promotion, do not understand their role and goals - this is not our target audience). [11]

Technically, the matrix can be used both for strategic planning of the development of a company's communication policy (or for evaluation of its effectiveness) and for tactical planning and implementation of communication programs. As we have already said, measuring the degree of emotional and intellectual involvement of consumers in the formation and promotion of the fundamental values of the company and its heritage allows us to determine the mechanisms of the possible impact on each category of the target audience.

The strategy of ECH management based on the general company's strategy and marketing strategy. In terms of marketing, we deal with the two dimensions of ECH management and influence — on the external and inner

marketing environment directions. On the external level, ECH management focuses on image and publicity, but on the inner level, we mostly form and manage hr-brand. Need to tell, this legacy management highly integrated process that goes to all spheres of company business. The ECH component of marketing activity is relevant at all market levels from B2C to B2B and B2G, it can also be characterized as a universal new form of B2H (business to human) that fits into the ideas of marketing 3.0 which promotes the importance of universal and humanistic values in modern marketing activities. [16]

To show and to test the hypotheses that the company's legacy management brings the real value to the company and its product perception we set the long term research. Through this big research planned for the Plekhanov Russian University of Economics Brand, first, we ask group of students (100 persons, both male, and female, age – 18-22) does it really matter for them to study at the university with the "history" and over 80% said that it's definitely important for them. But when we ask: "What you perceive as a "history"?" - we get the variety of answers. To sum up, we can highlight the next elements of history and heritage of the university by students:

- Age and time of the foundation (the older university gets more loyal customers).
- University achievements (rating positions, grants, schools and etc.)
- Celebrity professors, staff and successful personal brands (former and current famous employees, scientists and their personal legacy).
- Art and historical cultural objects, projects, and events (buildings, museums, events, media and etc.)
- Innovations (perceived as a constant process of legacy creation – today's innovations become a future legacy, same as former innovations turned to organization heritage at the present time).
- PR and publicity (whatever and however brand "look-act-talk" it stays with its image and reputation, especially now, when the internet connection is getting more wide and fast).
- The personal customer experience (each customer communication to the brand brings personal experience and this also becomes a part of the legacy for the certain customer).

We believe that these elements would be general and universal to any company or business with minimal corrections. Need to tell, that PR and publicity actually make it all possible, because if your brand has a great legacy, but people haven't heard anything about it – that legacy wouldn't bring you any benefits. So this communications needs specific promotion.

4. How to Promote the Legacy

We create a legacy with every single move or activity, but

to succeed, we need to set a strategy and promotion support campaign. Even the newsfeed on the website or social net content is part of the heritage, so it has to be structured and set regarding the main communication strategy.

Marketing planning is a continuous, cycle process that allows, through setting goals and going through certain stages, to receive and control the receipt of specific results of the activity. The planning process includes the justification of the desired (target) values of the parameters of the object, indicators of marketing, and ways to achieve the goals. [16]

ECH, as a process involving phased implementation, can also be implemented through a plan that reflects certain key stages, among which are:

- Analysis and assessment of existing features, position and activities of the company, including analysis and research of the existing market conditions and resource capabilities of the company itself and the existing heritage;
- Setting goals and objectives, according to the results of analysis and monitoring of the results of marketing activities and identifying possible criteria for assessing results and achieving goals;
- Development of strategies for legacy-oriented activity, based on the definition of objects and subjects of ICM;
- Development of a tactical plan for ECH management and identification of tools for emotional and informational impact on the contact audience, meeting the set goals and implementing the developed strategies;
- Implementation of the ECH program (event management, project management, support);
- Evaluation of the results and their impact on the market position of the company.

We've spoken about dimensions of creating a legacy, now we'll offer the four elements of managing it. The whole legacy management process could be split for directions:

- the legacy concept (what should be kept and preserved regarding the studied wants and needs of the target audience and general marketing strategy of the company)
- technical solutions and resources (including physical objects of historical and cultural legacy)
- financial planning - budgeting and fundraising
- information and PR support
- control.

To illustrate the real situation of managing cultural heritage, we would like to present the basics of PRUE heritage promotion actions that support one of the main values – history and traditions. The university's history is more than 100 years of commercial and economic education. Each birthday PRUE celebrates with the special event, advertising and PR campaigns such as conferences, round-tables, business meetings and special actions like launching branded metro train dedicated to the 110 anniversary of the Plekhanov Russian University of Economics.



Figure 1. Metro train dedicated to the 110 anniversary of the Plekhanov Russian University of Economics. (Source: [https://www.mos.ru/upload/newsfeed/newsfeed/gl31857\(13\).jpg](https://www.mos.ru/upload/newsfeed/newsfeed/gl31857(13).jpg))



Figure 2. The 30th PRUE marketing department jubilee conference 'Marketing in Russia', dedicated to the 85th anniversary of Dr., prof. B. Soloviev – the department founder. (Source: <https://plekhanov.marketing/confreport>)

But besides current actions, PRUE holds, recover and preserve big legacy which presented with several historical buildings in the central city of Moscow, historical PRUE museum, library. The administration reconstructed and opened the Russian Orthodox Church which was built at the beginning of the last century but it hasn't any service during the Soviet period and until 2016. Now regular services available there. PRUE builds the whole system of creating a branded education organization legacy together with the Plekhanov lyceum, college graduate and postgraduate education programs. Each department holds and manages its own heritage – the marketing department of PRUE is the first and oldest marketing department in Russia, so we accumulate most of the Russian marketing legacy, which makes the department and the staff the opinion leaders in the field of marketing. The world-famous marketing professors, like Dr. Ph. Kotler and Dr. M. McDonald are emeritus professors of the university, many unique kinds of research are done, many still actual and bestseller textbooks are written, many projects with students are presented, huge international networking system and regular monitoring of this treasures and offering new ideas – that's the basic of PRUE marketing department brand core identity. And as we said before we are proud to share this legacy through the traditional conferences, projects with the government, students' and pupils' projects, developing our unique library,

creating a news feed in social and classic media, PR activity.

5. Conclusions

Based on the foregoing, we can conclude that the concept of ECH management, as a system and constructive principle of creating and managing the legacy creation, is based on the close relationship of the marketing principles of goal setting, management and emotional fundamentals of communication with the target audience at all levels of interaction with the programmed result, through the integration of various exposure tools.

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