# DYNAMIC MARKETING STRATEGY IN THE CONTEXT OF ARMENIAN-CHINESE ECONOMIC RELATIONS

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Key words: dynamic marketing strategy, economic benefits, international culture, anti-crisis management, socio-economic factors, demand management strategy

***Introduction***

The current global market development trends show that for the development and promotion of a commercial organization1, it is necessary to have a flexible and competitive business, the key to the success of which should be both its general strategic activities and marketing activities within the framework of the development of the same organization3. World experience shows that it is the strategies preferred by the organization that are both the key to its success (flexible and competitive strategies) and the main reason for its failure (uncalculated and unpromising strategies).

For the quantitative evaluation of the dynamic marketing strategy model, the article considers the mechanism according to which the demand management strategy, the strategy depending on the increase in market share, as well as the strategy depending on the profitability of consumers are calculated. The report "China's Belt and Road Initiative between Economics and Geopolitics: Implications for Armenia" was analyzed, as well as the main benefits and developments of cooperation with Armenia.

***Literature review***

Over time, globalization and the speed of diffusion in business environments have increasingly made the development and practical application of marketing strategies more important. The term dynamic marketing strategy was first coined by Bruni and Verona [Bruni et al., 2009, 101-117]. Specifically, the authors defined dynamic marketing strategy as "a strategy specifically aimed at the development, release, and integration of market knowledge."

Day G. S. (1994) suggegested to implement dynamic marketing strategy in the contenet of the external environment, demand, customers, competitors in order to use the knowledges teffectively and manage market activities

Barrales-Molina (2009) and others have considered the term dynamic marketing strategy in the context of marketing functions. They defined it as "capabilities that are used to adapt marketing knowledge, organizational resources, and capabilities."

Best R. J. (2012) applied the structure of a dynamic marketing strategy and explaiend the quantitative evaluation of the dynamic marketing strategy model.

### *Methodology*

An empirical approach was employed to analyze the dynamics of China's engagement in the South Caucasus. The historical method facilitated the examination of key events over time, with factual data serving as primary indicators of interstate relations. Comparative analysis allowed for a detailed assessment of China's bilateral relations with each South Caucasus country, highlighting patterns and differences. This, in turn, provided a basis for drawing conclusions about China's underlying strategic interests and its attitude toward regional actors. Scenario analysis was used to project potential future developments in China's policy. The analysis also identified a range of internal and external factors that may affect China's evolving relations with the states of the South Caucasus.

### *Scientific novelty*

By analyzing the approaches used in international marketing strategy, as well as the structure of the economic prerequisites of Armenian-Chinese cooperation, the main obstacles affecting its development have been identified and a package of proposals aimed at solving them has been put forward, the essence of which lies in eliminating the shortcomings in this area and the imbalance between internal and external factors affecting the situation.

### *Analysis*

Dynamic marketing strategy assesses the current situation in the market and the internal and external factors affecting it, such as prices, market entry opportunities, availability of information about competitors and product ranges, etc. It has been widely used, especially in the context of cooperation between two countries. In particular, dynamic marketing strategy makes it possible to clarify what the common interests of the cooperating countries are, as well as economic incentives. Moreover, this assessment is given from both quantitative and qualitative perspectives.

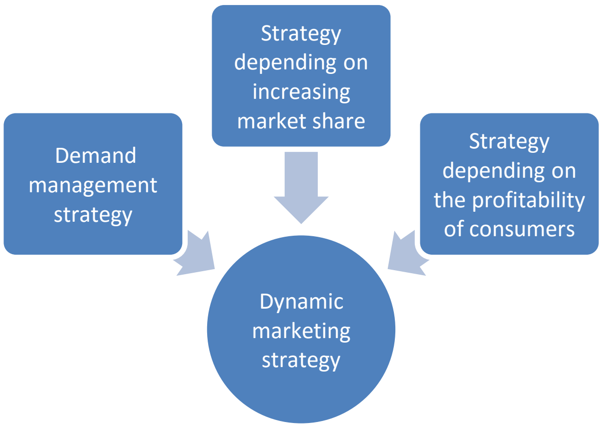


**Figure 1.** The structure of a dynamic marketing strategy [Best, 2012].

For the quantitative evaluation of the dynamic marketing strategy model, the following mechanism is considered (see figure 1):

1. demand management strategy;
2. strategy depending on the increase in market share;
3. strategy depending on the profitability of consumers.

**Table 1.** The relationship between demand management strategy, management and dynamic marketing strategy [1]

| Demand management strategy | Management features | Dynamic marketing strategy issues |
|---|---|---|
| Negative | crisis management | to shape demand |
| surplus | usual, anti-crisis | stimulate demand |
| potential | crisis | develop demand |
| oscillating | usual | balance demand |
| «full up» | anti-crisis, usual, | regulate dermand |
| «excessively» | anti-crisis | decrease demand |
| irrational | anti-crisis | eliminate demand |

As shown in table 1, demand management strategy is influenced by both management characteristics and dynamic marketing strategy. The same logic can be applied to other elements of the dynamic marketing model, such as increasing market share and customer profitability. Depending on the need to assess the economic benefits of cooperation in Armenian-Chinese relations, dynamic marketing strategy with its sequential steps[2] are developed.

Step 1. Analyze the socio-economic and foreign trade situation of the cooperating countries.

Step 2. Conduct a SWOT analysis for the cooperating countries, identifying the strengths and weaknesses of this cooperation, as well as opportunities and threats.

Step 3. Conduct an analysis of the marketing strategy, including individual elements, in particular, the foreign trade of the cooperating countries and the degree of competitiveness of the products produced, the degree of saturation in the market, competitive opportunities and commonalities of cooperation with each other.

Step 4. Analyze the marketing strategy in detail, which means compiling a list of marketing tools based on the strategic plan, as well as distinguishing similarities and significant differences in cooperation.

Step 5. Marketing budget, which means that the budget should include the necessary resources to implement a specific marketing strategy, with which the cooperating countries will be able to implement their strategic objectives**.**

[1] Suggested by the author.
[2] Suggested by the author.

Step 6: Conduct a forecast, specifically the economic benefits and losses of the cooperating countries for the long-term development of 3-5 years.
Step 7: Will the partner countries be able to achieve the desired results using the dynamic marketing strategy and plan (increase in the number of loyal customers, their average purchase order, target market share, revenue, and profit)?

The prospects of Armenian-Chinese cooperation can be predicted when considering dynamic marketing strategic steps, in addition, it is irreconcilable to take into account the coordination of the following policies:

1. connectivity of facilities;
2. free trade;
3. financial integration.

Market sensing is one of the tools of dynamic marketing strategy, which means the process of learning about changes in the external environment, demand, customers, competitors and content environment and using this knowledge to effectively manage market activities [Day, 1994, 37-51]. Accordingly, the following stages are proposed:

1. International marketing strategy has a positive impact on innovation and information technology research, their commercialization;
2. Dynamic marketing strategy has a positive impact on demand assessment management and market share growth;
3. Marketing excellence has a positive impact on marketing responsiveness;
4. Marketing excellence has a positive impact on market share growth and survival.

Modern China is also reviving its great historical potential - the world-famous Great Silk Road, which was the most global international culture of its time and has not yet lost its former economic attractiveness. Moreover, China, in cooperation with Russia, India and Asian states, using the Great Silk Road, known for centuries, as a prototype, in the context of modern historical events, is creating a Eurasian axis, which can become a powerful economic barrier against the intervention of oceanic states and the financial empire.

Thus, in the third millennium, the Eurasian axis may become the new epicenter of the world's socio-economic development strategy. In fact, at the end of the 20th century, after the collapse of the USSR, China became the first country that, having timely assessed the primary role of private property in the socio-economic development of the country, remained faithful to its national traditions and national ideology and values, governing the country on socialist principles and without causing significant losses to its economy, guided by the principles of Chinese wisdom, moved the country's economic development to a new market path. The restoration of the Great Silk Road for Armenia, which is under blockade, can open up new and serious prospects for the development of all branches of the economy. Armenian-Chinese trade and other diverse relations in these new conditions can be mutually beneficial, taking into account thousands of years of positive experience.

By integrating into the Sino-Russian Eurasian Union, Armenia will have the opportunity to benefit from the best experience of these countries and expand its trade relations, which can become one of the most important ways out of the current socio-economic crisis. The Great Silk Road played an important role in the formation of religious, economic, everyday, and cultural relations between states and nations and the process of interpenetration of these values. In addition, the latter was one of the most important sources of economic benefits for the countries through which this route passed, and certainly ensured the safety of merchants and their goods, regardless of their religious or other affiliation. However, later the English East India Company, wanting to capture the Chinese market, brought large quantities of opium to China and distributed it there, which is why the country was kept in slavery for more than 200 years [Zou Lei, 2015, 230-285].

As a result of the barbarian invasions, the Great Silk Road ceased to function in the 15th century. In 2022, the authors Wrobel and Ralph published the report "China's Belt and Road Initiatives between Economics and Geopolitics: Implications for Armenia". According to the latter, the Republic of Armenia has already signed some agreements with China regarding participation in the "Belt and Road Initiative", while no specific activities are financed by this initiative. Various authors raise questions related to the economic advantages and disadvantages of this program. Although China's financing of projects that are unattractive to Western financiers is a good opportunity for some participating countries, the resulting "debt trap" is dangerous for these countries [Yau, 2019].

***Conclusion***

The difference between marketing in international and domestic markets is a matter of taking into account the differences between countries. As described in stages 1-4, before entering the market, cooperating countries carefully study the socio-economic, cultural conditions in order to obtain economic benefits from each other in the long term.

Depending on the need to assess the economic benefits of cooperation in Armenian-Chinese relations, the article has developed a dynamic marketing strategy with its successive steps.

The article substantiates that Chinese investments mainly have some geopolitical orientation, which make the projects more profitable for China itself than for the participating countries themselves. Especially when the countries participating in the "Belt and Road Initiative" cannot repay their debts. As a result, the transfer of natural resources, relevant infrastructure, for example, ports, mineral pipelines to China may occur.

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The article analyzes the dynamic marketing strategy in the context of Armenian-Chinese economic relations. The dynamic marketing strategy assesses the current situation in the market and the internal and external factors affecting it, such as prices, market access opportunities, access to information about competitors and the range of products. Based on this idea and the need to assess the economic benefits of cooperation in Armenian-Chinese relations, the article develops a dynamic marketing strategy with its sequential steps. For the quantitative assessment of the dynamic marketing strategy model, the article considers the mechanism according to which the demand management strategy, the strategy depending on the increase in market share, as well as the strategy depending on the profitability of consumers are calculated.

The article presents and analyzes the "Chinese Belt and Road Initiatives between Economics and Geopolitics. consequences for Armenia" report, as well as the main benefits and developments of cooperation with Armenia. Moreover, Chinese investments mainly have some geopolitical orientation, which makes the projects more profitable for China itself than for the participating countries themselves. Especially when the countries participating in the "Belt and Road Initiative" cannot repay their debts. As a result, there may be a transfer of natural resources, relevant infrastructure, for example, ports, mineral pipelines to China.