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## Applying Marketing and Management Approaches, Methods and Techniques to Household Management

Ev İdaresine Pazarlama ve Yönetim Yaklaşım,  
Yöntem ve Tekniklerinin Uygulanabilirliği

### Abstract

We are witnesses of a developing society which is related to the information technologies, economy and social researches. The aim of this paper is to present the relationship between basic marketing research methods, strategies and techniques, management functions, methods and approaches as a part of economic theory on the one side, information technologies and applications on the other side, and the Bulgarian society as a whole and its characteristics and problems on the third side. The main focus of this paper is the household, especially the Bulgarian household, as the smallest social organization; and the main purpose is to explain the similarity between business organizations and the household using an analogy principle.

**Keywords:** household management, marketing approaches, marketing methods, management approaches, management methods

**JEL Codes:** M31 – Marketing

### Introduction

Over the last two decades, the development of the Bulgarian society is related to the information technologies, economy and social researches. Therefore, it is necessary to understand a triangle, the relationship between basic marketing techniques and tools such as sale theories, CRM approach, market research quantity and quality, and management functions and system approach, which apply to the household management process, information technologies and appliances on the other side, and the Bulgarian society as a whole and its characteristics and problems, on the third side.

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Bulgaria is now part of the European Union (EU). Its major goals are to gain on the economic performance levels of the other EU member states, which are integral part of the estimation process of quality of life in every country. The social agenda of the European Commission aims at raising living standards and improving living and working conditions, strengthening social cohesion and combating exclusion, promoting equal opportunities, and safeguarding sustainability.

Currently Bulgaria is trying to find a solution to different problems that it is facing such as: unemployment, aging population, changes of economic gender roles, and environmental problems. Bulgaria is among of the poorest of the EU member states, and needs to appropriate policies to bring the country closer to the EU levels.

The main focus of this paper is the household, especially the Bulgarian household, as the smallest social organization, and the main purpose is to explain the similarity between business organizations and the household using an analogy principle.

### **1. Conceptual Framework**

First of all, it is necessary to explain how we differentiate the definitions of "household" and "family". Let's start with the first definition.

According to Macmillan English Dictionary (2006: 501) a family is "a group of people who live together and are related to one another, usually consisting of parents and children". In Bulgarian social politic practice a household includes all the persons who occupy a housing unit. The United States Census Bureau (USCB, 2012) defines household as:

A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms or a single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall.

The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible. If that information cannot be obtained, the criteria are applied to the previous occupants.

Both occupied and vacant housing units are included in the housing unit inventory, except that recreational vehicles, boats, vans, tents, railroad

cars, and the like are included only if they are occupied as someone's usual place of residence. Vacant mobile homes are included provided they are intended for occupancy on the site where they stand. Vacant mobile homes on dealers' sales lots, at the factory, or in storage yards are excluded from the housing inventory.

If the living quarters contains nine or more persons unrelated to the householder or person in charge (a total of at least 10 unrelated persons), it is classified as group quarters. If the living quarters contains eight or fewer persons unrelated to the householder or person in charge, it is classified as a housing unit.

According to Statistics Canada (SC, 2012), since July 15<sup>th</sup> 1998, "a household is generally defined as being composed of a person or group of persons who co-reside in, or occupy, a dwelling." And Macmillan English Dictionary (2006: 697) defines a household such as: "the people who live in a house or flat considered as a single unit".

Most economic theories assume there is only one income stream to a household; this a useful simplification for modeling, but does not necessarily reflect reality. Many households now include multiple income-earning members.

A family is a group of people affiliated by consanguinity, affinity, or co-residence. A family group consisting of a father, mother and their children is called a nuclear family. This term can be contrasted with an extended family. In science, the term "family" has come to be used as a means to classify groups of objects as being closely and exclusively related. Sexual relations among family members are regulated by rules concerning incest such as the incest taboo.

If we are comparing the family/household to the business organization, it could be necessary to understand the family as a system. A family system functions because it is a unit. Every family member plays a critical, unique role in the system. What one family member does effects the other family members? One member of the system cannot change without causing a ripple effect throughout the family system.

It is quite important to understand the characteristics of the family. These are:

- i. The family is a survival and growth unit;
- ii. The family is the soil which provides the emotional needs of the various members;

iii. A healthy family provides the growth and development of each family member including the parents;

iv. The family is the place where the attainment of self-esteem takes place;

v. The family is a major unit in socialization and is critical for a society to endure.

**Table-1: Number of Households in Bulgaria, Number of People in Bulgaria and Average Number of People in Each Household**

2011 year	Total		
	Households	Number of people	Average number
<b>Total</b>	<b>3 005 589</b>	<b>7 296 459</b>	<b>2.4</b>

**Table-2: Number of Families in Bulgaria and Average Number of Family Members**

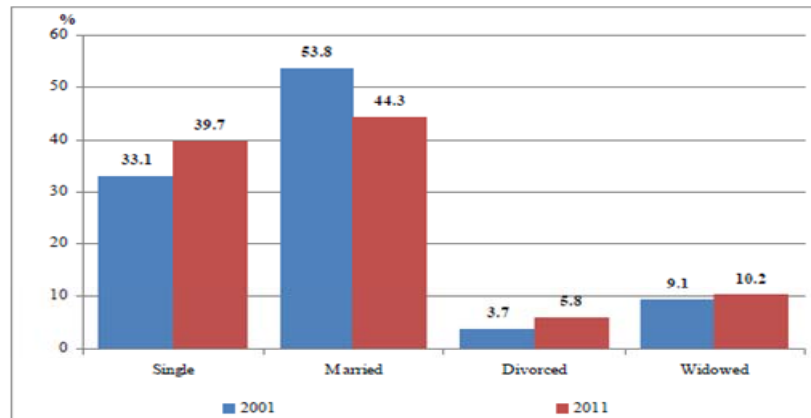
2011 year	Total	
	Families	Average number of family members
<b>Total</b>	<b>2 123 224</b>	<b>2.7</b>

According to the family's characteristics above and in relation to the organizational characteristics in management theory if there are minimum 2 persons who have compatible goal we talk about the family as an organization. As a result there are many variations of family types.

Variations of Family Types are: the matriarch family, the absent father family, the single parent family. In each type of family there are problems. Family problems may be due to the fact that the family system is not healthy. Family problems may also be due to the fact that husband and wife come from different family systems.

The result of the family problems is shown on the figure below. *For the last thirty years, family breakdowns have risen continuously and yet divorce rates have remained largely unchanged.*

**Figure-1: Structure of the Population in Bulgaria by Legal Marital Status at 2001 And 2011 Censuses**



**Source:** National Statistic Institute, [http://www.nsi.bg/census2011/PDOCS2/Census2011final\\_en.pdf](http://www.nsi.bg/census2011/PDOCS2/Census2011final_en.pdf)/15.03.2012

The reasons for divorce are never simple and are usually never the result of just one factor in a marriage. The factor groups are (Online Lawyer Source, 2012):

- i. Poor communication, financial problems, lack of commitment, infidelity, and dramatic changes in individual priorities;
- ii. Problems pertaining to the premarital relationship, specific interrelationship dynamics, problem behaviors, and significant discrepancies in parenting styles;
- iii. Physical, emotional, mental, and substance abuses.

The Household Management System can help families to ignore the first factor (poor communication). How?

Household management means responsibility. Having the main role in taking decisions about you and your family is a challenge – but managing all of your family members’ affairs can push you to your limits! What you really need is a household management “command center”. This is a place when store important information and help coordinate everyone’s activities.

## **2. Picking a location**

The first step in creating your household management system is to choose the right location. It should be a high-traffic area of your home, where people are constantly passing by.

Make sure you that the space you choose has enough room for:

- i. A desk-type flat surface,
- ii. Storage for files,
- iii. Basic office supplies (pens, paper, envelopes, stamps, scissors, tape, etc.),
- iv. Space on the wall to hang a calendar & a bulletin board.

Usually a nook in the kitchen or just off of your main living room is the ideal spot for a household management center.

### **3. Centralizing your communications**

In this hurried day and age, parents and children often pass like ships at the night and sometimes the only way to stay in touch is by leaving notes for each other. Set up a bulletin board or magnetic write-on/wipe-off board above your desk – designated just for communications (no posting of class pictures or drawings the kids did...you can find another spot for those).

Just be sure to regularly clean off old messages to keep your board from getting overloaded.

### **4. Tracking everyone's schedules**

The goal is to record every family member's schedule in one centralized place – so you can review the entire household's activities with one glance.

Step 1: Write each person's appointments, deadlines, and other responsibilities with a different colored marker – blue for mom, green for dad, red for Sally, and purple for Johnny.

Step 2: Have a "family planning session" at the start of each week. Ask each person what they have coming up in the near future: extracurricular activities, days that your kids need a ride somewhere (as well as days you have to work late and can't pick them up), school project due dates, birthday invitations, vacations, dentist appointments.

Everything discussed should go on the calendar.

### **5. Processing the mail**

Another part of your household management center is your incoming paperwork processing system. Set up a hanging file box or rack and create a folder for each type of "to-do" that you regularly encounter. These may include: to file; to read; to pay; to call; to sign and send back to school.

Use a different color folder for each action. Every day as the mail comes in, you bring papers home from work, your children give you a new pile from school – take a minute to sort each item according to the next step you need to take. Put each document in the appropriate folder (and throw all the other junk away).

Now you're ready to tackle your many responsibilities in an organized fashion. Sit down once a week and go through each folder, taking care of your to-do list in order.

### **6. Storing important papers**

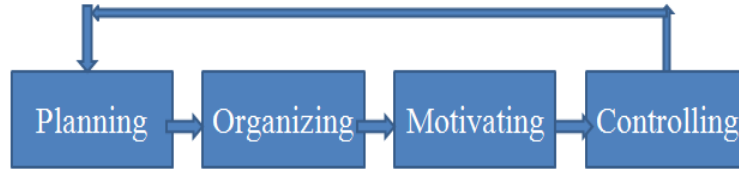
If you don't already have a file drawer in your household management center, it's a good idea to set up an expanding household organizer for your important papers. You can create one system for "fingertip files". These are things you refer to often such as: phone directories, class and team rosters, babysitter instructions, pre-printed grocery lists.

You may also want to keep a separate system for those "monthly" files that you access when you pay bills and go through your to-do's: utilities, mortgage, health records, school paperwork, files for your hobbies.

A great way to organize these items is to use a sturdy poly expanding file, or a premium expanding file. Label each divider as needed. Thanks to your new household management system everything is accessible from one location and you don't have to run around the house looking for supplies, files, and your schedule. Managing your household responsibilities will go much faster and be a lot less stressful (Smead, 2012).

### **7. Functions of Management**

"Fayol identified five functions in which managers must engage: planning, organizing, commanding, coordinating, controlling" (Donnelly, et al, 1992: 102). A. Angelov (1998: 40) works in the field of management theory. He determines four management functions as follow: planning, organizing, motivating and controlling. By analogy as traditional management functions which are determined by Angelov, I suggest to applying them as tools in our household to manage it. The idea is shown on scheme 1. And the main question is what is specific in the household?



**Scheme 1: Functions of Management**

### 7.1. Planning

In principle the planning process means defining a mission, creating a vision and goals for an organization. The mission defines the goal why the organization was established in this field of business and its activities. The vision could be defined as an image which the organization wants to build in the customer's perception.

Planning begins with a situational analysis. Based on the situational analysis, the planning process should generate alternative goals that may be pursued in the future and the alternative plans that may be used to achieve those goals (Bateman and Zeithaml, 1993: 139-140).

Goals are the targets the organization wants reach and they are classified as follow:

- i. Strategic or long-term (from 5 to 10 years);
- ii. Tactical or mid-term (from 3 to 5 years);
- iii. Operative or short-term (by a year)

Plans are the actions or means the family intends to use to achieve goals. Every person has his/her own life plan. When a person meets his\her love he\she wants to share their personal plans. Then they create a small informal organization which has a mutual goal. Achieving this goal includes many tasks. The first task is commonly related to the wedding day. It has to be planned, organized, motivated and controlled. This is part of the wedding management process. Why is it called management? Because since the wedding day the young family has short-term goals, such as where and how to go on the marriage trip, and how to furnish and decorate their new home.

The first woman's pregnancy is an important part of the family's planning. This stage could involve operative, tactical or strategic goals. It depends on:

- i. *Internal factors* like: individual priorities of each one of the couple; free time opportunities; high-level social status; medical reasons;



ii. *External factors* like living conditions, life environment and government policy encouraging birth. Here the PESTEL analysis plays important role. Evaluation of the factors of this analysis could help the couple to make its plan. It is like making investments. We can invest in our family, in terms of financial resources, time, and emotions.

The first two we can invest also in any business. What is different when it is about the family? The emotions are part of the non-profit world and they are the core of human mental and psychical activities. Humans are so different in their emotions. There are 4 main types human behavior: Choleric, Sanguine, Phlegmatic, and Melancholic.

No matter which type behavior we belong to, we can invest emotions in our family unit. Therefore is so important who is another person of the couple. If there are minimum 2 persons who have compatible goal we talk about an organization.

We can use SWOT analysis to understand and compare our strengths and weaknesses with these of our partner and then to understand which are our compatible opportunities and threats. So, the "Planning" like a managerial function is a base for defining a type of structure which will be accept from an organization. Each person in the family has to thinking himself as a product.

## **7.2. Organizing**

Organizing is the second managerial function. It means coordination of the relationships between the organizational staff, tasks and activities for achievement of organizational goals through out of the labor separating and the authority apportionment. Management organizational structure is relatively constant order of relations between the elements into the organization.

The ancient family organizations had got a hierarchy. Their leadership's style was paternalistic. The modern organizations have got liberal leading style. The difference between the ancient organizations and the modern ones is the organizational structure.

Rules for building an organizational structure:

- i. Relations are a result of subordination and coordination between (equal) elements. They are 2 types of bonds: Structural - linear, functional and consultative, and Communicational - informational
- ii. Specialization - defines a working competence for each member of the organization

iii. Delegation of rights and obligations – securing freedom of acting on side of managers to lower levels but retaining responsibilities for the delegating one.

The new trend of family's organizational structure is a result of women's emancipation. Its main aim is the equality between males and females at the work place which is transferred to the household. According to this family organizational structure is changed.

The woman plays a key role in the modern family. Therefore often the woman is considered multifunctional person. She works as an employee or does another job for payment. The man in the same family does similar jobs but often his salary is higher. The employers prefer men to women for most of jobs because as we know women look after the children, clean, wash, iron, cook, being sexual partner as well. So, if a woman is paid for all the functions she does she would be the most benefited person by the family organization. She is a productive human being in the household. Her multifunctional activities are concentrated on her personality and as a result she is becoming more efficient than any other member of the household.

Therefore I think that a woman is the additional value in the family organization. I consider the newest wave in the family organization's leadership as maternal/feminine. There is no analog in the company's organization. It is a social form of leadership. Women in society play two roles: the main one in the household and the second important in her work, but sometimes they play a major part at work as well. She is always facing the choice between her work and her family. Doing both is a heavy job and brings forward longer working hours (at the working place and at the household). This is leading to greater stress and pressure on relationships and family life.

Bulgaria is a country which is European-oriented, especially after it joined the EU. It means modern smaller household than before (early 20<sup>th</sup> century). Often three generations lived together in a house (often a small house). In the middle of the last century most of the young families lived in their own homes bought by long-term house credits in the conditions of a well-balanced bank and political systems. In the 21 century we can see 2 new trends. The first is a young family making independent household living separately and the second when young people live together with their parents. Good life practices show that the second trend is not viable. Therefore young families decide to be independent. But young people face a dilemma.

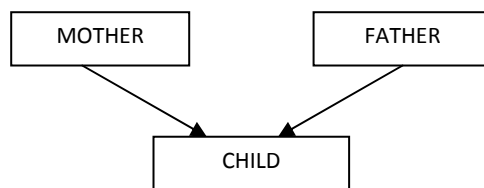
Firstly, if young people want to be happy and feel themselves independent they have to live in a separate home. This could be reached if

people in a couple could pay for their own home if they have saved money from salary. The salary has to be good.

The second option is to take a credit for buying a new house or flat but in this case they will be depend on their credit bank. The third option is a man or a woman in the couple has their own home from a succession.

If we look at the first option, it is based upon good salaries from good working positions. This is accompanied by the risk of too many responsibilities and more working hours. Urbanization is another criterion for changing a human life. Often employees have to drive a long way to work or have to change the place they live. Ambitious young professionals (women and men) are making bigger personal sacrifices than their parents.

The family organizational structure in this modern society is difficult to be defined because there are 2 “presidents” in most cases and no hierarchy. It is a flat structure. I would like to present it schematically as follows - the family’s structure:



**Scheme-2: Flat structure in household management**

Father and mother run the family cooperatively. The leading style is liberal and ideal form for household management. Parents share the responsibilities between them. This is like a joint-venture company. Often family culture before the marriage has been different. Working together to achieve the common goal mom and dad has to change their previous life. Genetically the child could take advantage of culture 50:50. If we think about business principles, the “child” is a merging result from financial and non-financial resources.

If we define the problem we can sort it out easier. “An effective decision-making process generally includes the four steps: Identify the Problem; Generate Alternative Solutions; Evaluate and Choose among Alternative Solutions; Implement and Monitor the Chosen Solution” (Bartol and Martin, 1991: 261- Model of decision-making process was adapted from Huber, 1980:8). Other authors (Bateman and Zeithaml, 1993: 140) define 6 general decision-making stages: Identifying and diagnosing the problem;

Generating alternative solutions; Evaluating alternatives; Making the choice; Implementing; Evaluating.

As we can understand in management theory the first stage in decision-making process is identifying the problem. In our case in the household/family the problem is family breakdown. The final stage is implementing the chosen solution.

Like most business firms the household ignores the first stage – identifying the problem. In this article I suggest to “household managers” to follow the stages and to make a decision correctly. In this moment marketing tools come to help us. We can follow the customer-centric approach, the CRM strategy and finally we can use the “4 R” of marketing - *retention, relationships, referrals, recovery*.

The retention a current customer or a client costs 6-7 times cheaper than finding a new one. By analogy, in the family the retention a current partner in a couple (man or woman) is cheaper (time, money and emotions) than finding a new one.

Creating long-lasting relationships and creating customer loyalty is too important in the business world. But building customer relationships demands that suppliers pay close attention to their customers. It means not only listening to customers, but also actively using their feedback to improve the relationship. It means continually adding value to customers. It means creating mutual trust and respect with the customer.

Referrals happen when people are happy, so customers become a valuable source of word-of-mouth, providing one of the most credible forms of promotion.

Recovery refers to the inevitable mistakes that are likely to happen. Mistakes can be opportunities to improve upon customer relationships. If a firm impresses its customer, the relationship between the customer and its firm has been enhanced. In order for this to occur, the employees must have the power to react to a mistake as it happens. If the employee must turn to a manager for conflict recovery, the customer may become even more dissatisfied, thus making a small problem bigger.

Let's see the applying of the 4“R” in the household/family. Improving the communication in the family is at the core of this article. A great response may leave a partner in a couple feeling even better about the other. So, the four “R” of marketing is too important for family relationship in the future.

Building good relationships in a couple demands paying close attention to each other by the partners. One of them could be a supplier and the other one could be a client. They could change their roles.

### **7.3. Motivating**

How to raise the Motivation in the Household? The answer - to use the fundamental sell theories:

#### **7.3.1. Stimulating theory**

AIDA is a Sells Management technique which was developed in the late 1800's by E. St. Elmo Lewis. AIDCA is the same technique but it has an additional tool. It consist "the prospect's five mental steps in buying" (Futrell, 1993: 213):

Attention - the package of a product or its price or impulse point in the store has to attract our attention; Interest - after attracting we have to be interested on the product and then to stimulate our consumer behavior; Desire - perceiving a need to have the product; Conviction - a strong belief that the product is best suited to specific needs; Action - real purchase (buying).

#### **7.3.2. Solving the problems**

A most powerful selling technique used by successful salespeople today is benefit selling. In benefit selling, the salesperson relates a product's benefits to the customer's needs using the product's features and advantages as support. This technique is often referred to as the FAB (Feature, Advantage, and Benefit) selling technique (Futrell, 1993: 99).

"A product feature is any physical characteristic of a product. All products have features or "physical characteristics."" By analogy a person in a couple has physical appearance (height, build, hair, eyes, type of hair and so on) and so on and personal qualities and hobbies/interest which differentiate each other.

"The chances of making a sale are increased by describing the product's advantages, how a product can be used, or how it will help the buyer." One of the couple could be a "salesperson" and another could be a "buyer".

"People are interested in what the product will do for them. Benefit selling appeals to the customer's personal motives by answering the question, "What's in it for me?"" This is the main question in a family, what is the benefit for each other in a couple? It could be sharing the happiness or growing the children up; working together or something else.

We can raise the motivation into the family using these techniques. How? If we thinking about ourselves like a product we can do this. Each of the couple has to be the both a product which has to attract and the buyer who make purchase decision.

Event marketing is a toll for sells encouragement. In our family we “sell” emotions. The events which are related on emotions might be:

- i. Invitation for concert of favorite singer, player;
- ii. Invitation for new play in favorite genre;
- iii. Invitation for a competitor world championship or an Olympiad in a favorite sport.

Other sources of emotions are laughing together of a comedy, and playing games together.

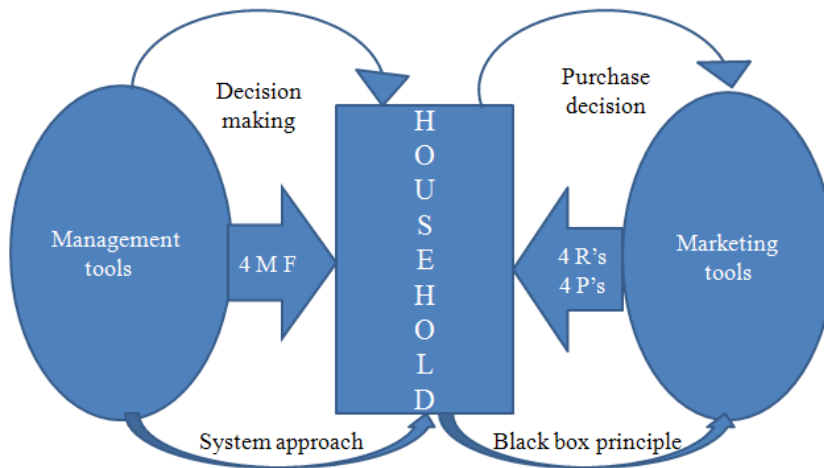
#### **7.4. Controlling**

Market research tools for sorting out a problem are very important for the last managerial function – controlling. If we can see a deviation from the plan (goals) we have to understand the reasons. The following *quantitative* and *qualitative* research methods will help us:

- i. Personal “face-to-face” interview with a questionnaire – each of the couple might be an interviewer and a respondent. They might think together about the questions in questionnaire;
- ii. Personal observation – “an observational research strategy in which human observers record the phenomenon being observed as it occurs” (Malhotra, 1993: 197);
- iii. Content analysis – “the objective, systematic, and quantitative description of the manifest content of a communication” (Malhotra, 1993: 200);
- iv. Mystery shopping – a new technique which might be applying in the family by text message by mobile phone, skype, e-mail. It seems such as an affera;
- v. “Complaint encouragement” – a good choice for better communication;
- vi. Focus group interviews – with best family’s friends, godfather and godmother, without the parents of the married couple.

### Conclusion

As a result of tools, techniques and approaches I explained/created a model which is presented on the scheme 3, named "Household-centered approach".



**Scheme-3: Household-centered approach**

As we can see the household is in the centre. Marketing and management tools are focus on it. They work as a system. The role of the household is "the black box".

In conclusion, if you think of yourself as a product and apply the marketing and management tools and techniques, you will have a good life; have a good job; have a good family.

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## EV İDARESİNE PAZARLAMA VE YÖNETİM YAKLAŞIM, YÖNTEM VE TEKNİKLERİNİN UYGULANABİLİRLİĞİ

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### Özet

Bilişim dünyası, ekonomi ve sosyal çalışmalarla beraber gelişen bir toplumla karşı karşıyayız. Bu çalışmanın hedefi, temel pazarlama araştırma yöntemleri, satış stratejileri ve teknikleri, yönetim fonksiyonları, yöntemleri ve bunların uygulanması ile beraber Bulgar toplumunun bunlara ilgisini irdelemektir. Bu anlamda çalışmanın odağında Bulgar ev idaresi yer almaktadır ve analogi yöntemi kullanılarak ev idaresi ile işletme yönetiminin benzerlikleri ortaya konmaya çalışılmıştır.

**Anahtar Kelimeler:** ev idaresi, pazarlama yaklaşımları ve teknikleri, yönetim teknikleri

**JEL Kodu:** M31 - Pazarlama

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