

## Research on the Dynamic Adjustment of Marketing Mix Strategies under the Impact of Inflation

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**Abstract:** Under the background of global economic integration, inflation, as a key variable in macroeconomic operation, has a profound impact on the stability and development of the economies of various countries. This paper first explores the theory of inflation and its influence mechanism on the marketing environment, pointing out that inflation has a comprehensive impact on the marketing environment by affecting multiple aspects such as consumers' purchasing power, enterprise costs, and the market competition pattern. Then, this paper proposes the dynamic adjustment methods of marketing mix strategies under the impact of inflation, including the adjustments of product strategies, price strategies, channel strategies and promotion strategies. Subsequently, a theoretical framework for the dynamic adjustment of marketing mix strategies under the impact of inflation was constructed, and empirical inspirations were proposed based on this framework. Finally, taking Mondelēz International as an example, its coping strategies under the impact of inflation were analyzed, and the effectiveness of the theoretical framework and adjustment methods was verified. The research of this paper not only enriches the existing theories of economics and marketing, but also provides practical guidance for enterprises to formulate effective marketing strategies.

**Keywords:** Inflation; Marketing Mix Strategy; Dynamic Adjustment; Competitiveness

### 1. Introduction

#### 1.1 Research Background

Under the background of global economic integration, inflation, as a key variable in macroeconomic operation, has a profound impact on the stability and development of the economies of various countries. Inflation not

only leads to a decline in the purchasing power of money and a general increase in prices, but also triggers a series of economic and social problems [1], such as fluctuations in consumer demand, rising enterprise costs, and changes in the market competition pattern. The marketing environment, as an external condition for enterprises to carry out marketing activities, is significantly influenced by macroeconomic factors such as inflation. Therefore, an in-depth study of the correlation between inflation and the marketing environment is of great significance for enterprises to formulate effective marketing strategies and deal with the challenges brought by inflation.

#### 1.2 Literature Review

Inflation theory is a branch of economics that studies the causes, transmission mechanisms and economic effects of inflation [2]. At present, the mainstream inflation theories include demand-driven inflation theory, cost-push inflation theory and structural inflation theory, etc. [3] These theories explain the causes of inflation from different perspectives and provide a theoretical basis for understanding the impact of inflation on the marketing environment.

The marketing environment refers to the sum total of various factors and forces that influence an enterprise's marketing activities and the realization of its goals [4]. These factors and forces include not only the micro-environment within the enterprise, such as enterprise resources and organizational structure, but also the macro-environment outside the enterprise, such as the political and legal environment, economic environment, social and cultural environment, etc. [5] Inflation, as an important component of the economic environment, has a direct and far-reaching impact on the marketing environment.

Inflation has a comprehensive impact on the marketing environment by influencing multiple aspects such as consumers' purchasing power,

enterprise costs, and the competitive landscape of the market [6]. Specifically, inflation may lead to a decline in consumers' purchasing power, thereby affecting consumer demand [7]; Meanwhile, the increase in raw material and labor costs will raise the production costs of enterprises, forcing them to adjust product pricing and marketing strategies [8]; Furthermore, inflation may also trigger changes in the competitive landscape of the market, such as the redistribution of market share.

### 1.3 Research Significance

An in-depth study of the correlation between inflation and the marketing environment not only helps enrich and improve the existing economic and marketing theories, but also provides practical guidance for enterprises to formulate effective marketing strategies. By understanding the impact mechanism of inflation on the marketing environment, enterprises can better cope with the challenges brought by inflation, optimize resource allocation and enhance market competitiveness [9]. Meanwhile, the government can also formulate more scientific and reasonable macroeconomic policies based on the impact of inflation on the marketing environment to promote economic stability and development.

## 2. Analysis of the Impact of Inflation on the Marketing Environment

In today's complex and volatile economic environment, inflation, as one of the important indicators of macroeconomic operation, its fluctuations have had a profound and extensive impact on the marketing environment. Inflation, an economic phenomenon, is essentially characterized by the money supply exceeding the actual economic demand, leading to a decline in the purchasing power of money and a general increase in prices. It not only changed the consumption behavior patterns of consumers, but also profoundly influenced the operation strategies of enterprises and the competitive landscape of the market.

### 2.1 The Purchasing Power of Consumers Declines

Inflation leads to a decline in consumers' purchasing power, and this change directly affects the structure of market demand. As the value of currency shrinks, the purchasing power of consumers' real income weakens, and the

demand for non-essential goods significantly decreases. When consumers are confronted with rising prices, they tend to allocate their limited resources more cautiously, giving priority to meeting basic living needs such as food, housing and medical care, while significantly reducing their consumption of luxury goods, high-end services or non-essential items. This shift in consumer behavior forces enterprises to make adjustments in product design and pricing strategies. They must more accurately grasp the actual needs and payment capabilities of consumers, and launch products with higher cost performance and closer alignment with consumers' actual needs in order to maintain or expand their market share.

### 2.2 The Prices of Raw Materials Have Risen

The increase in raw material prices has become another major challenge for enterprises. In an inflationary environment, raw material suppliers often raise the prices of their products to maintain profit levels, resulting in increased production costs for enterprises and squeezing their profit margins. To address this challenge, enterprises have no choice but to seek ways to control costs, including but not limited to optimizing production processes, enhancing production efficiency, adopting more economical raw material alternatives, and strengthening supply chain management to reduce procurement costs. In addition, enterprises also need to consider increasing the added value of their products through technological innovation and product upgrading, thereby offsetting the negative impact brought about by rising costs to a certain extent.

### 2.3 Increase in Labor Costs

With the increase in the cost of living, employees' expectations for salary and benefits have also risen, and enterprises' expenditures on recruitment, training, salary and welfare have significantly increased. In order to attract and retain key talents, enterprises have to raise salary levels, improve the working environment and offer more career development opportunities. Meanwhile, strengthening staff training and enhancing their professional skills and comprehensive qualities have become the key for enterprises to improve production efficiency and strengthen competitiveness. This not only requires enterprises to invest more resources in human resource management, but also prompts

them to build a more complete talent cultivation system to adapt to the rapidly changing market environment.

### **2.4 Intensified Market Competition**

Under the dual pressure of rising costs and slowing demand, enterprises have no choice but to increase marketing investment, innovate marketing methods, and enhance brand image and service quality in order to compete for the limited market share. This includes but is not limited to expanding sales channels by using digital marketing tools and establishing closer connections with consumers through emerging channels such as social media and e-commerce platforms; Strengthen the telling of brand stories, enhance the emotional value of the brand, and attract consumers with differentiated strategies; and provide more personalized and customized services to meet consumers' increasingly diverse and growing demands.

## **3. Dynamic Adjustment Methods of Marketing Mix Strategies under the Impact of Inflation**

In the macroeconomic environment of inflation, enterprises are confronted with a complex and volatile market environment. Factors such as the decline in consumer purchasing power, rising costs, and intensified competition are intertwined, posing unprecedented challenges to the marketing activities of enterprises. In order to remain competitive and achieve sustainable development in such an environment, enterprises must dynamically adjust their marketing mix strategies to adapt to market changes and meet consumer demands.

### **3.1 Dynamic Adjustment of Product Strategy**

Under the impact of inflation, the adjustment of product strategies becomes particularly important. Enterprises first need to conduct a comprehensive assessment of their existing product lines to identify which products are more affected by inflation and which ones have higher risk resistance capabilities. For products that are significantly affected, enterprises can consider upgrading or improving their products. By enhancing product quality, adding product functions or improving user experience, the added value of the products can be increased, thereby offsetting the pressure brought about by rising costs to a certain extent. Meanwhile, enterprises can also develop new product lines,

especially those closely related to consumers' basic living needs and less affected by inflation, in order to enrich the product portfolio and diversify market risks. In addition, enterprises should also pay attention to the changing trends of consumer demands, adjust product design and production plans in a timely manner, and ensure that products can meet market demands.

### **3.2 Dynamic Adjustment of Price Strategy**

The price strategy is the most sensitive and crucial part of the marketing mix. Under the impact of inflation, enterprises are confronted with the dual pressure of rising costs and the decline in consumers' purchasing power. To balance the relationship between the two, enterprises need to make dynamic adjustments to their pricing strategies. On the one hand, enterprises can pass on the pressure of rising costs by raising product prices, but this strategy needs to be used with caution because excessively high prices may lead to the loss of consumers. Therefore, when raising prices, enterprises should fully consider consumers' affordability and market response, and adopt methods such as gradual price hikes and differentiated price increases to minimize the impact on consumers. On the other hand, enterprises can also reduce costs by optimizing the cost structure and improving production efficiency, thereby providing more room for price adjustment. In addition, enterprises can also adopt price promotion strategies, such as discounts, full-reduction offers, and free gifts, to stimulate consumer purchases and increase market share.

### **3.3 Dynamic Adjustment of Channel Strategies**

Under the impact of inflation, the adjustment of channel strategies is equally important. Enterprises need to reevaluate the efficiency and cost-effectiveness of their existing channels and identify which ones have higher sales potential and lower cost expenditures. For inefficient and costly channels, enterprises can consider optimizing or eliminating them and instead expand into new sales channels. For instance, with the rapid development of e-commerce, online channels have become the choice of an increasing number of enterprises. Through online channels, enterprises can reduce sales costs, expand sales scope and improve sales efficiency. Meanwhile, enterprises can also

enhance communication and collaboration with channel partners to jointly address the challenges brought about by market changes. For example, establish long-term and stable cooperative relationships with suppliers to ensure the stability of raw material supply and price advantages; Cooperate with retailers to carry out joint promotional activities to increase product sales and market share.

### **3.4 Dynamic Adjustment of Promotion Strategies**

The promotion strategy is the most flexible and diverse part of the marketing mix. Under the impact of inflation, enterprises need to flexibly adjust their promotional strategies in accordance with changes in the market and consumer demands. On the one hand, enterprises can increase their promotional efforts and attract consumers to make purchases through more promotional activities and preferential measures. For instance, activities such as time-limited discounts, gifts for reaching certain purchase amounts, and raffles can be launched to enhance consumers' purchasing intention and loyalty. On the other hand, enterprises can also innovate their promotion methods and adopt more personalized and differentiated promotion strategies. For example, formulate different promotion plans for different consumer groups to meet consumers' personalized demands; carry out interactive promotional activities through new media platforms such as social media to enhance consumers' participation and stickiness. In addition, enterprises should also pay attention to the long-term effect assessment of promotional activities, adjust promotional strategies in a timely manner, and ensure the effectiveness and sustainability of promotional activities.

## **4. Theoretical Framework and Empirical Implications of Dynamic Adjustment of Marketing Mix Strategies under the Impact of Inflation**

Inflation, as an important variable in the macroeconomic environment, its fluctuations have a significant impact on enterprises' marketing activities that cannot be ignored. Under the background of inflation, enterprises need to flexibly adjust their marketing mix strategies (products, prices, channels, promotions) to cope with changes in the market environment.

### **4.1 Theoretical Framework for Dynamic Adjustment of Marketing Mix Strategies under the Impact of inflation**

#### **4.1.1 Inflation and consumer behavior theory**

Inflation first affects consumers' purchasing power and consumption behavior. According to the life cycle theory, consumers tend to increase savings and reduce non-essential consumption during inflation to cope with possible uncertainties in the future. Meanwhile, consumers' sensitivity to prices has increased and they are more inclined to choose products with high cost performance. Therefore, enterprises should focus on the practicality and cost-effectiveness of their products in product strategies, increase added value through product innovation, and meet consumers' dual demands for quality and price. In terms of pricing strategy, it is necessary to be cautious about raising prices and adopt flexible pricing mechanisms, such as dynamic pricing and package pricing, to balance the rising costs and consumer acceptance.

#### **4.1.2 Cost transmission mechanism and price elasticity theory**

Inflation leads to an increase in the costs of raw materials, labor, etc. Enterprises need to pass on part of the cost pressure to consumers through price strategies. However, the effectiveness of price transmission depends on the price elasticity of the product. For products with relatively low price elasticity (such as necessities), enterprises can moderately raise prices; for products with high price elasticity (such as luxury goods and non-essential items), raising prices may lead to a significant decline in sales. Therefore, enterprises need to apply the theory of price elasticity, combine market segmentation and consumer behavior analysis, and formulate differentiated pricing strategies to achieve a balance between cost transmission and market share.

#### **4.1.3 Channel efficiency and supply chain management theory**

Under the background of inflation, channel efficiency and supply chain management have become the keys for enterprises to reduce costs and enhance competitiveness. Enterprises need to optimize the channel structure, reduce intermediate links and lower channel costs. Meanwhile, strengthen cooperation with suppliers, establish long-term and stable supply relationships, and reduce raw material costs through bulk purchasing, centralized purchasing



and other methods. In addition, enterprises should also apply information technology to enhance the transparency and response speed of the supply chain, achieving flexible adjustment and rapid response of the supply chain to cope with market changes.

#### **4.1.4 Promotion strategies and consumer psychology theory**

During inflation, consumers' sensitivity to promotional activities increases, and promotional strategies have become an important means for enterprises to stimulate sales and increase market share. Enterprises need to apply the theory of consumer psychology to design attractive promotional activities. For example, by taking advantage of the principle of scarcity, promotional activities such as time-limited flash sales and limited supply can be launched to stimulate consumers' purchasing desire. By applying the principle of social identity and through methods such as user reviews and social media sharing, the reputation and trustworthiness of the product can be enhanced. At the same time, enterprises also need to pay attention to the long-term effect assessment of promotional activities to avoid excessive promotion that may damage the brand image.

### **4.2 Empirical Implications Based on Theoretical Framework**

Enterprises should enhance their capabilities in market segmentation and consumer insight, and gain a deep understanding of the needs, preferences and purchasing behaviors of different consumer groups. By means of big data analysis, consumer research and other methods, accurately grasp market dynamics and changes in consumer demands, providing data support for the dynamic adjustment of marketing mix strategies. Meanwhile, a flexible price adjustment mechanism should be established to adjust the price strategy in a timely manner according to market changes and cost fluctuations. Meanwhile, pay attention to the differentiation and personalization of the pricing strategy to meet the needs of different consumer groups. In addition, enterprises also need to enhance communication and interaction with consumers to improve their understanding and acceptance of price adjustments. Optimize the channel structure, reduce channel costs and improve channel efficiency. Meanwhile, strengthen cooperation and coordination with

suppliers to achieve flexible adjustment and rapid response of the supply chain. By introducing advanced supply chain management concepts and technical means, the transparency and synergy of the supply chain can be enhanced to address the challenges brought about by inflation. In addition, enterprises should also innovate their promotion strategies, and design attractive promotional activities in combination with the psychological and behavioral characteristics of consumers. At the same time, emphasis should be placed on enhancing and maintaining brand value. Through high-quality products and services, as well as positive brand image building, consumers' recognition and loyalty to the brand should be strengthened. Integrate brand concepts and values into promotional activities to achieve an organic combination of promotional activities and brand building.

### **5. Case Analysis: The Response Strategy of Mondelēz International**

Take the globally renowned multinational food enterprise Mondelēz International as an example [10]. Under the impact of inflation, this enterprise has demonstrated outstanding market adaptability and strategic adjustment wisdom. Facing challenges such as soaring raw material prices and increasing logistics costs worldwide, Mondelez International first accurately captured the changes in demand of different consumer groups in an inflationary environment through in-depth market segmentation and consumer behavior analysis. For price-sensitive consumers, Mondelez International has launched multiple economy product lines, such as optimizing packaging specifications and adjusting product formulas to reduce costs, while maintaining core flavors and quality, meeting consumers' pursuit of cost performance. Meanwhile, in response to the high-end consumer group, the company has increased its investment in the research and development of organic and healthy foods, launching a series of innovative products such as high-fiber biscuits and low-sugar chocolates, effectively enhancing the added value and market competitiveness of its products.

In terms of pricing strategy, Mondelez International has adopted an advanced dynamic pricing mechanism. By flexibly adjusting product prices in combination with market supply and demand relationships, cost changes, and competitors' strategies, it not only ensures

profit margins but also maintains market stability. In addition, the company has strengthened in-depth cooperation with major e-commerce platforms, leveraging big data analysis technology to achieve precise marketing and personalized recommendations, effectively enhancing the conversion rate of online sales. Meanwhile, Mondelez International has been constantly optimizing the layout of its offline stores, improving the shopping environment and service quality of its stores. By adding interactive experience zones and holding health diet lectures and other activities, it has enhanced consumers' brand loyalty and shopping experience.

In terms of promotion strategies, Mondelez International ingeniously combines the psychological and behavioral characteristics of consumers and designs a series of creative promotional activities. For instance, launching the "Health Challenge" to encourage consumers to share their experiences in healthy eating and participate in health challenges not only enhances the brand's social influence but also promotes product sales. The implementation of the "Family Sharing Program" has stimulated the purchasing desire of family consumers by offering family-sized gifts or coupons for purchasing designated products. These strategic adjustments worked together to enable Mondelez International to not only achieve a steady increase in market share during the period of inflation, but also further enhance brand value and global influence, becoming a successful model in the industry for responding to the challenge of inflation.

## 6. Conclusion

Against the backdrop of global economic integration and the continuous fluctuations in inflation, enterprises are confronted with unprecedented market challenges. This article, through an in-depth analysis of the influence mechanism of inflation on the marketing environment, reveals how inflation exerts a comprehensive impact on the marketing environment by influencing multiple aspects such as consumers' purchasing power, enterprise costs, and the competitive landscape of the market. On this basis, this paper proposes a dynamic adjustment method for marketing mix strategies under the impact of inflation, including the adjustment of product strategies, price strategies, channel strategies and

promotion strategies, aiming to help enterprises better cope with the challenges brought by inflation and achieve sustainable development.

In order to further deepen the understanding of the dynamic adjustment of marketing mix strategies under the impact of inflation, this paper constructs the corresponding theoretical framework and puts forward empirical inspirations based on this framework. The theoretical framework points out that during inflation, enterprises should enhance their capabilities in market segmentation and consumer insight, establish flexible price adjustment mechanisms, optimize channel structures, innovate promotion strategies, and focus on the improvement and maintenance of brand value. These empirical inspirations provide specific guiding directions for enterprises to formulate effective marketing strategies.

Taking Mondelēz International as an example, this article analyzes in detail its coping strategies under the impact of inflation. Through in-depth market segmentation and consumer behavior analysis, Mondelēz International accurately captured the demand changes of different consumer groups in the inflationary environment and adjusted its product strategy, price strategy, channel strategy and promotion strategy accordingly. These strategic adjustments worked together, enabling Mondelēz International to not only achieve a steady increase in market share during inflation, but also further enhance brand value and global influence. This successful case verifies the effectiveness of the theoretical framework and adjustment method proposed in this paper.

Looking ahead, with the continuous changes in the global economy and the persistent fluctuations in inflation, enterprises need to constantly adapt to the changes in the market environment and flexibly adjust their marketing mix strategies. Future research can further explore the differences in response strategies of enterprises of different industries and scales under the impact of inflation, as well as the application of new technologies such as digitalization and intelligence in the adjustment of marketing strategies. Meanwhile, the government should also formulate more scientific and reasonable macroeconomic policies based on the impact of inflation on the marketing environment to promote economic stability and development.

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