

## MARKETING ORIENTATION-2

In the last lecture, we almost concluded marketing as a demand management and marketing as conscious efforts to achieve desired exchange outcome with target market. But what philosophy should a company follow in marketing effort.

What kind of weightage should be given to organization, customers and society? Marketing should be carried out on well-thought-out philosophy of efficient, effective and socially responsible marketing.

There are five competing concepts of philosophies to conduct marketing activities.

- The Production Concept
- The Product Concept
- The selling Concept
- The Marketing Concept
- The Societial Concept

We will discuss each one of them

### a) THE PRODUCTION CONCEPT

This philosophy approach is that consumers will prefer products that are widely available and are inexpensive.

Managers of this concept concentrate on achieving high production efficiency, lower costs and mass distribution. They assume that consumers are only interested in product availability and low prices. Production concept does work for some products, but not for all kinds of products.

### b) THE PRODUCT CONCEPT

This concept is that consumers will favor that product, which offers most quality performance and innovative features. The managers of this concept focus their attention towards making products more superior and keep improving it. They assume that consumers admire and prefer well-made products and appraise quality and performance. Automobile industry is one good example. There is always, however, a chance that managers get caught in their own outlook and ignore what customers need.

Sometimes, they push certain features too far and overlook the customers' real needs.

### c) THE SELLING CONCEPT

This concept emphasizes on aggressive selling and high promotional back up. Selling, concept is practical on what we call as „unsought goods“ such as insurance, encyclopedia etc. At most times, the selling concept is practical by managers having uniqueness and overcapacity. Their aim is to sell what they can make rather than what the market needs. The customer still may not fully like the product and have what we call „bad-mouth“. Bad mouth is when a customer talks not in favours of the product. Bad mouth travels fast.

#### d) THE MARKETING CONCEPT

This concept holds that the key to organizational goals consists of company being more effective than competitors in creating, delivering and communicating consumer value to the chosen target.

**Marketing concept becomes clear in the following statements:**

“Find wants and fill them”.

“You are the boss (Customer)”.

“Have it in your way”.

Where as selling focuses on the needs of the sellers; marketing on the needs of the buyers.

**Selling concept is:**

Factory → Product → Selling and Promotion → Profit from volume

**Marketing concept is**

Target Needs → Consumer Market → Integrated Marketing → Consumers' Satisfaction

#### TARGET MARKET

Companies do their best in choosing their target markets and then tailor their marketing programme. For example for woolen clothes, select the colder areas.

#### CONSUMER NEED

It is not always simple. It is difficult to correctly ascertain. A customer says “I want an inexpensive car”. what is he saying? He wants a car that is not expensive. So he needs a car but not expensive compared to his income. Needs are

1. Stated need (an inexpensive Car)
2. Real need (wants a car which is lower in maintenance)
3. Unstated need (he wants a strong car)
4. Delighted need (he wants a road map of his country)
5. Secret need (he wants image in that car)

These are the series of his Need. Marketing job is to respond to all his needs. Marketers provide solution in the shape of responsive marketing, anticipative marketing and creative marketing.

#### INTEGRATED MARKETING

This is done at two-levels. One, various Marketing Functions such as sales force, advertising, customer services etc are integrated in ONE quantity; Secondly, marketing must integrate production, quality control and design sections. This integration works towards customer

satisfaction in Toto.

### **PROFITABILITY**

The ultimate function of marketing is to help organizations to meet their profitability objective, Modern firms achieve this through superior customers value. The Company makes money by satisfying customer needs.

### **f) THE SOCIETICAL CONCEPT**

This concept further elaborates the marketing approach to include consumer and society well being overall

Environmental deterioration, resource shortage, explosive population growth, poverty, hunger etc are just a few things in our society now. Marketing aims at delivering satisfaction more effectively and efficiently.

### **HOW MARKETING IS RESPONDING?**

In view of the ensuring thing, marketing themes of the millennium are:

#### **Relationship Marketing**

Focusing on building long-term relationship with customers.

#### **Customer-life-time Value**

Regular delivery of product and its value at a reasonable price.

#### **Customer Share**

Offering product and services to existing customers on regular basis.

#### **Individualizing**

Treating customer individually on their merit.

#### **Channels as partners**

Making alliances with dealers as partners instead of traditional hostility.

The crux of the modern marketing is to develop the right product for the right people, at the right price, at the right place and at the right time and with right services.