

SUBJECT – MARKETING MANAGEMENT

UNIT I – INTRODUCTION (PART – III)

Modern Marketing Concepts:

The consumer-oriented marketing has given rise to a new philosophy in business known as 'marketing concept'. The marketing concept emphasises the determination of the requirements of potential customers and supplying products to satisfy their requirements. Under the marketing concept customer is the fulcrum around which the business moves. The objective of a firm is not the maximisation of profitable sales volume but profits through satisfaction of customers. And all the marketing activities in a firm are integrated and directed towards this objective. The managers practicing this philosophy think in terms of what benefits the market or what needs are they satisfying.

The marketing concept considers marketing as an integrated process of identification, assessment and satisfaction of human needs and wants. It regards creation of customer and satisfaction of his wants as the justification of business. Determination of wants of the customers takes precedence over production and other business activities. In other words, production is carried on according to the needs of the customers. Thus, the emphasis in modern business is on selling satisfaction and not merely on selling goods.

Modern concepts of marketing are broad concepts. It means finding out the consumer and make the goods as per their needs rather than to provide them what the seller has made. Thus it is very essential for the seller to get the answer of the question what are the things which the consumer want? And how these things can be made available to them? Only then he can survive in the market and earn profit.

The marketing concept is based on the following pillars:

- (i) Identification of the prospective customers or the target market.
- (ii) Understanding the needs and wants of the customers or the target market by connecting with them.
- (iii) Development of products or services for satisfying the needs of the target market.
- (iv) Satisfying the needs of target market better than the competitors.
- (v) Ensuring profitable sales for the business.

There are 6 modern concepts of marketing which are very important from the point of view of marketer.

1) The Production Concept:

The companies which use the production concept generally focus too narrowly on their own activities because according to this concept the companies think that consumer will buy the product which comes in the market. The production concept focuses on operations and is based on the assumption that customers will be more attracted to products that are readily available and can be purchased for less than competing products of the same kind. This concept came about as a result of the rise of early capitalism in the 1950s, at which time; companies were focused on efficiency in manufacturing to ensure maximum profits and scalability.

This philosophy can be useful when a company markets in an industry experiencing tremendous growth, but it also carries a risk. Businesses that are overly focused on cheap production can easily lose touch with the needs of the customer and ultimately lose business despite its cheap and accessible goods.

This concept lays emphasis on production and assumes that consumers will always respond to products that are made available to them. This concept developed when there was a period of manufacturing dominance and there was no competition. It was producers market and hence production problems were of more importance than anything else.

2) The Product Concept:

As per this concept companies give importance to the features or the quality of the product because in long run the product exists only with the quality it is giving to the consumer. The product concept is the opposite of the production concept in that it assumes that availability and price don't have a role in customer buying habits and that people generally prefer quality, innovation, and performance over low cost. Thus, this marketing strategy focuses on continuous product improvement and innovation.

Apple Inc. is a prime example of this concept in action. Its target audience always eagerly anticipates the company's new releases. Even though there are off-brand products that perform many of the same functions for a lower

price, many folks will not compromise just to save money. Working on this principle alone, however, a marketer could fail to attract those who are also motivated by availability and price.

3) The Selling Concept:

It is not sufficient for the manufacturer to make the goods and wait for the customers. Thus, according to this concept it is very important to inform the consumer about the product which can be done through different ways of promotion.

Marketing on the selling concept entails a focus on getting the consumer to the actual transaction without regard for the customer's needs or the product quality. This concept frequently excludes customer satisfaction efforts and doesn't usually lead to repeat purchases.

This concept is also concentrating on people, except it doesn't have a genuine approach. Businesses that have the selling concept at their core work on the belief that consumers won't buy enough products and services unless you persuade them to. Earlier, people didn't have many options, and it was not so hard to convince them to try your product. Today's environment changed the game rules entirely. If what mattered before were the cost and the proximity, today's customer is aware of many things and consumes a lot of information before making a decision. This is how selling became a marketing concept. There are still businesses that put selling at the foundation of their activity, especially when their product benefits are hard to explain. Example - MetLife and other insurance company strategies.

4) The Marketing Concept:

As stated earlier, the marketing concept places the consumer as the main priority for business operations. So it is very important for the manufacturer to produce the product which the consumer wants, so that consumer get satisfaction and manufacturer earns profit.

The marketing concept is based on increasing a company's ability to compete and achieve maximum profits by marketing the ways in which it offers better value to customers than its competitors. It's all about knowing the target market, sensing its needs, and meeting them most effectively. Many refer to this as the "customer-first approach."

Glossier is a recognizable example of this marketing concept. The company understands that many women are unhappy with the way that makeup affects the health of their skin. They also noticed that women are fed up with being told what makeup products to use. With this in mind, Glossier introduced a line of skincare and makeup products that not only nourish the skin but are also easy to use and promote individualism and personal expression with makeup.

5) Societal marketing concept:

While similar to the marketing concept in prioritizing the needs of the consumer, this concept means that company should not only work for the consumer but also for the society. So the company should make balance between company's profits, consumer wants and society welfare. An example of this might be a business considering an eco-friendly way of producing its products in order to reduce carbon emissions, making the air healthier and improving breathing conditions for consumers.

The fast-food industry is an example of what the societal concept aims to address. There's a high societal demand for fast food, but this food is high in fat and sugar and contributes to excess waste. Even though the industry is answering the desires of the modern consumer, it's hurting our health and detracting from our society's goal of environmental sustainability.

Societal marketing can enhance profits from the sale of products by:

- Making a product is useful enough to meet consumer needs
- Focusing on the well-being of the public at large
- Bettering the consumers' quality of life

6) Consumer concept:

Now not only marketing concept is sufficient rather the companies are using consumer concept which means to give attention to individual consumer it can be done through one to one marketing.

Characteristics of Marketing Concept

- **Customer orientation**

The marketing process begins with knowing the customers' desires until a business can create a product or offer a service that can meet and satisfy them. Happier customers lead to higher profits.

- **Integrated approach**

Coordinated collaboration between various departments within a business (marketing, production, finance, etc.) is crucial to meeting the customers' needs.

- **Long-term perspective**

Creating long-lasting relationships with consumers with consistent service and quality that they can trust ensures profits, retaining customers, and attracting new customers over a long period of time. This makes a business into a trusted and well-known brand.

- **Profitable sales volume**

Earning a profit over a long period of time is a tell-tale sign of whether a business's marketing efforts were a success. Not only does a business want to increase profits, but they want it to happen consistently long-term

Implementation of the Marketing Concept

- **Adoption of customer orientation:**

In essence, the consumers' needs lead the direction of how a business operates. Through market research and monitoring consumer behaviour online, a business can stay on top of trends in the market and the ever-changing tastes of consumers.

- **Formulation of goals:**

Creating goals to guide where operations need to be in terms of meeting consumer needs should be a top priority for a business looking to make or increase profits. This also means that businesses as a whole have to work as

one unit, even with various departments with different functions, to meet those goals.

- **Integration of business operations:**

After establishing what the goals are, a business must follow through in streamlining various business departments or operations in order to collaborate and meet those goals. Each department and employees working in them should understand the main goal, which is consumer satisfaction.

Benefits of marketing concepts

1. Increased employment opportunities:

As a business grows, thanks to acquiring customers based on professional services satisfying their needs, they will need to hire more employees to accommodate expanding operations.

2. Awareness and acknowledge of consumer and social well-being

When consumers are doing well then that leads to society as a whole doing well. A business can make sure that this is happening by prioritizing needs outside of what services it can offer to its consumers by improving production and operations.

3. Focus on the scientific frame of thought

In order for a business to strategically find a way to be beneficial to society as a whole, it must be based, not only on market research but on scientific research as well.

4. Increased quality of production

Knowing what the consumer needs can allow for a business to mould their products in the production process to meet expectations, thus increasing the quality of what they have to offer.

5. The reason for business operations

What is the point of running a business and offering products and services, if said business does not even know what people want or need?

6. Creates an environment for healthy competition

Different people want/need different things. This allows for multiple businesses (no matter the size) to thrive in the same marketing by catering to those various needs.

7. Increasing consumer status

The more a consumer is happy with a business' products/services, the more they will buy. New consumers become and the more they buy, they eventually become a business' targeted and loyal demographic.

8. Streamlining business and societal goals

The collaborative effort in a business attempting to align their goals with societal wants leads to more satisfaction across the board.

9. Marketing career

Creating effective marketing strategies based on consumer wants is a sure way to lead a long and successful career in the marketing field.

10. A balancing force in society

Good business makes people happy. When more people are happy, the better society becomes.