

MARKETING MANAGEMENT

UNIT-1

PART-II

EVOLUTION OF MARKETING CONCEPT

The traditional objective of marketing had been to make the goods available at places, where they were needed. This idea was later on changed by shifting the emphasis from 'exchange' to 'satisfaction of human wants'. As human needs and wants multiplied and technological progress supplemented such developments, the scope of marketing function had to be enlarged. In this process traditional ideas on marketing were replaced by modern concepts. Each stage is explained below;

Self-Sufficient Stage

After the of 'nomads', people started to settle on the banks of rivers. This had led to starting of economic activities, e.g., agriculture. But each family then was a self-sufficient unit as far as production and consumption functions were concerned. They produced what they wanted to consume and practically no surplus was available to initiate the process of exchange. Hence, it may be stated that the concept of marketing was absent in this stage.

Exchange-oriented Stage

When 'nomads' chose to live permanently at river banks and continuously engaged in agriculture and allied operations, the problem of surplus production came. This necessitated exchange of surplus products with others. In order to smooth out exchanges, 'Barter System' came into vogue, though the latent inconveniences of such a system were felt only a little later. It was gradually realised that the double coincidence of wants could be attained only if the products are brought to a central location so that exchange will take place smoothly. Thus, Markets came into existence. The shift from self-sufficiency to the exchange orientation may, therefore, be considered the first stage in the historical evolution of the term marketing.

Production-oriented Stage

"Make what you know how to make" (1869-1930). The next stage came with the dawn of the Industrial Revolution. It was believed that if the product is of quality and priced reasonably, nothing would prevent the producers from achieving satisfactory sales and profit. This also led to a wrong belief that proper and timely communication to the buyer was not an inevitable adjunct in the process of selling. It appears that producers gave more emphasis to production rather than consumption as the ultimate end and objective of trade and commerce. In essence, this stage is the one, where the role of marketing was rather ignored.

Sales-oriented Stage

"Get rid of what you have" (1930-1950). The ripple effect of industrial Revolution did not stop with the technological changes in industrial activities alone. It caused major social changes; there was a shift from agriculture to industry, increase the living standards, development of transport and communications, growth of corporate form of organization, etc. All these changes necessitated an organised marketing procedure. At this stage, everyone started realising in the purpose and importance of marketing. It assumed that consumers will normally not buy enough unless approached with a substantial selling and promotional effort. Under this concept, the greater emphasis was on increasing the sales rather than on customer satisfaction. This was possible then because the demand usually outstripped supply.

Marketing-oriented Stage "Have what you can get rid of (1950-1960). As the consumers, demand and the production capacity of the manufacturers came into an equilibrium, the producers were forced to re-think the philosophy of marketing. Further, the evil effects of competition made the producers realise that the product could not be sold without an effective sales force. It was, thus, formally approved that the aim of marketing was to know and understand the customer so well that the product or service fits him and sells itself.

Consumer-oriented Stage

"Have what you can get rid of with responsibility" (1960s-present). The next stage that followed, however, witnessed a changed outlook of producers towards marketing. It became imperative to give equal consideration to production as well as consumption. Competition became keen. During this stage, it was realised that measuring consumer needs or behaviour alone was not enough. "Consumer satisfaction? should be built and a correct perspective on which marketing policies of an organisation should be built. This marketing concept is the philosophy of business that believes that satisfaction of the wants of the consumers' is the economic and social justification for the existence of a business. Concepts such as CRM are a consequence of this stage.

Management-oriented Stage

This is the present stage of the evolution of the marketing concept. As consumer orientation became an accepted marketing philosophy, the entire business philosophy underwent a Paradigmatic change subtle change. Today, marketing considerations are most crucial in business planning and decision-making.

The difference in the various concepts outlined in the foregoing paragraphs may be summarised as follows:

Comparison between Product, Marketing and Consumer Orientations

Product Orientation	Marketing Orientation	Consumer Orientation
1. Publishing the product into market	Analysing consumer and creation of demand.	Satisfaction of consumers.
2. Stress on production Deptt.	Production Marketing Deptts.	Cover all Deptt. and activities of a company
3. Emphasis on product	On consumer	On consumer satisfaction.
4. Aims at profit through sale of a successful product.	Aims at profit through assessment of consumer behaviour and placing the product accordingly	Aims at profit through increased sale as a consequence of consumer satisfaction
5. To sell what could be produced	To sell what is produced by creating demand artificially	To produce what is wanted and what would give satisfaction to consumers.