

MS-107 (Marketing Management)

Unit- 2: Evolution of Marketing

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Evolution of Marketing

- ❖ The Barter System
- ❖ Stage of Local Market
- ❖ The Stage of Monetary Economy
- ❖ The Stage of Industrial Revolution
- ❖ The Stage of Competition

Philosophies/ Orientation of Marketing

- ❖ The Production Concept (Mass Production)
- ❖ The Product Concept (Quality Product)
- ❖ The Selling Concept (Pressure Selling)
- ❖ The Marketing Concept (Satisfied Customers)
- ❖ The Societal Marketing Concept
- ❖ Holistic Marketing Concept

The Production Concept (Mass Production)

‘The Production Concept believed that consumers would prefer products that are abundantly available and are inexpensive’

The Assumptions of this concept were:

- (i) If the production happen at large scale it can be sold,
- (ii) The management must focus on keeping per unit cost of production low.
- (iii) A firm should put efforts only in producing certain basic quality products, as consumers were not looking for variety.
- (iv) Consumers were impressed only by the availability and affordability of the products.

The Product Concept (Quality Product)

‘This concept proposes that consumers will be inclined in buying only those products which are superior in quality, performance and are with innovative features’

The assumptions of this concept were:

- i. Only those products which are of high quality can be sold in the market
- ii. The quality of the product automatically attracts consumer so no promotion is required.
- iii. This concept may result into the situation of Marketing Myopia.

The Selling Concept (Pressure Selling)

This concept holds that consumer and business, won't buy much of the products if they are left on their own rather companies should adopt aggressive selling techniques and intense promotion efforts.

The assumptions of this concept were:

1. The primary assumption of this school of thought was that consumer initially avoids buying goods and services and spending money on goods that they do not consider of much use or great value, at this point the role of selling and advertising comes into picture when such efforts persuade them to buy.

2. In order to sustain, each firm should put great promotional efforts for making the product visible and familiar to prospects, so marketing the product and selling both are essential.

The Marketing Concept (Satisfied Customers)

The Marketing concept considers that the best way to attain its organizational goal is by developing a competitive edge over the competitor by offering a differentiated product in terms of its quality, features, supply chain or promotion this is how value can be created for the prospects.

Four Major distinguished feature:

- ❖ Target Marketing
- ❖ Integrated Marketing
- ❖ Satisfying the customers needs
- ❖ Realizing profitability goals

The Societal Market Concept

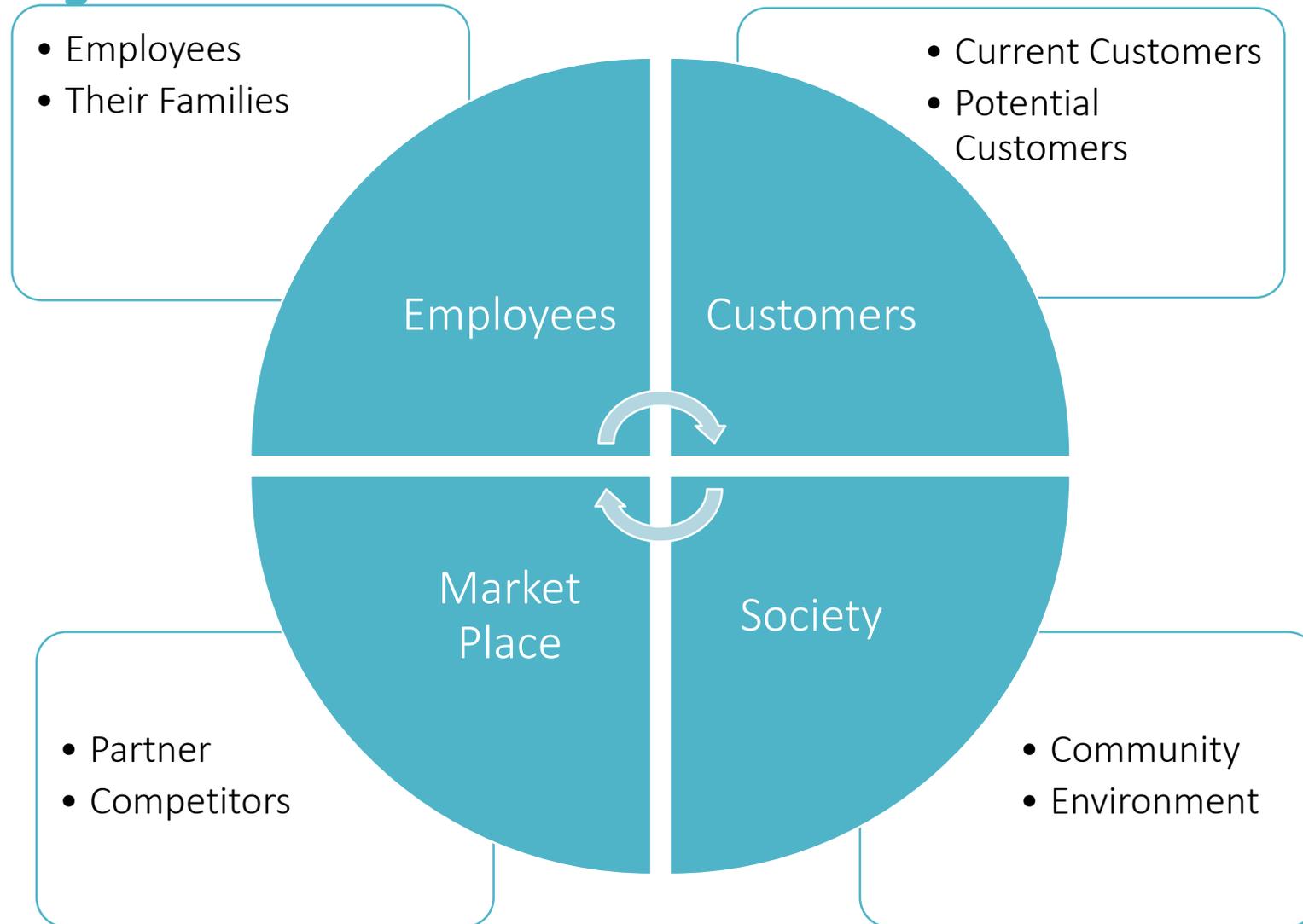
‘This concept proposes that the organization’s prime responsibility is to improve the standard of living of consumers by delivering them products of better quality at a valued price which will lead to satisfied consumers this becomes instrumental in leveraging the standard of society as a whole.’

The assumptions of Societal Marketing concept are:

- (i) The firm is to be guided by long-term profit goals rather than quick sales.
- (ii) The firm should discharge its social responsibilities,
- (iii) The management needs to integrate the firm’s operations and activities in such a way that it meets the organizational goals, needs of individual consumer and social well-being



The Key Stakeholders



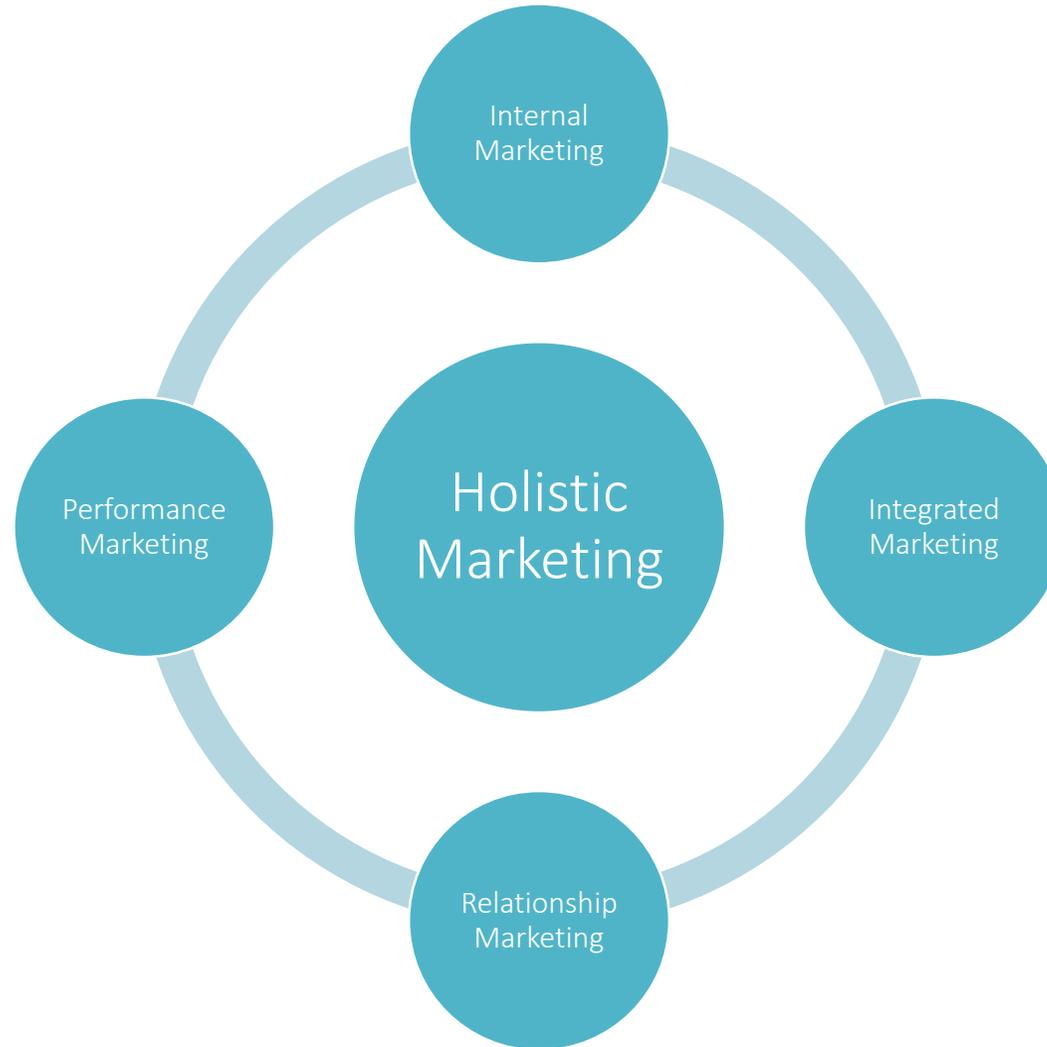
Holistic Marketing Concept

This concept is based on the development, design, and implementation of marketing programs, processes and activities that recognizes their breadth and interdependencies. Holistic marketing recognizes that “everything matters” in marketing- and that a broad, integrated perspective is often necessary. Holistic marketing is thus an approach that attempts to recognize and reconcile the scope and complexities of marketing activities.

Four major components:

- ❖ Relationship Marketing
- ❖ Internal Marketing
- ❖ Integrated Marketing
- ❖ Performance Marketing

Dimension of Holistic Marketing



Selling vs. Marketing

Selling	Marketing
Selling is a classical approach	Marketing is contemporary approach
It focuses on push concept	It focuses on pull concept
It is preoccupied with sellers need of selling the produced product	It is preoccupied with the idea of satisfying customer's need by providing him a product.
It focuses on short-term objective of making one time sale.	It focuses on long-term goals of the organization like brand building.
It is limited to transactional approach	It is a relationship oriented approach
Management is sales volume oriented	Management is profit oriented

Selling Concept vs. Marketing Concept

Criterion	Selling Concept	Marketing Concept
Starting Point	Factory	Target Market
Focus	Products	Customer Needs
Means	Selling and Promotion	Integrated Marketing
Ends	Profit through Sales Volume	Profit through Customer Satisfaction

Marketing Framework

The American Marketing Association defines marketing as:

‘Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives

Philip Kotler and Kevin Keller consider marketing as:

‘Marketing Management is the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value’

Marketing Process

- (1) Analysing marketing opportunities,
- (2) Selecting target markets,
- (3) Developing the Marketing mix, and
- (4) Implementing and controlling.

Factors Influencing Company Marketing Strategy



Types of Markets

- ❖ Business to Consumer Markets (B2C)
- ❖ Business to Business Markets (B2B)
- ❖ International or Global Markets
- ❖ Government or Non-profit Market

Factors affecting growth of Digital Marketing

- ❖ The changes in lifestyle and standard of living had increased the level of consumption, quality and also the pattern of consumption.
- ❖ Extensive use of smart phone and mobile applications
- ❖ Easy availability of high speed Internet.
- ❖ It provides convenience and saves time of the consumer.
- ❖ At times online offers are more attractive and provide sufficient discounts and reward points to the users.
- ❖ It is an emerging trend so people feel happy going online.

Reference

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Thank You!