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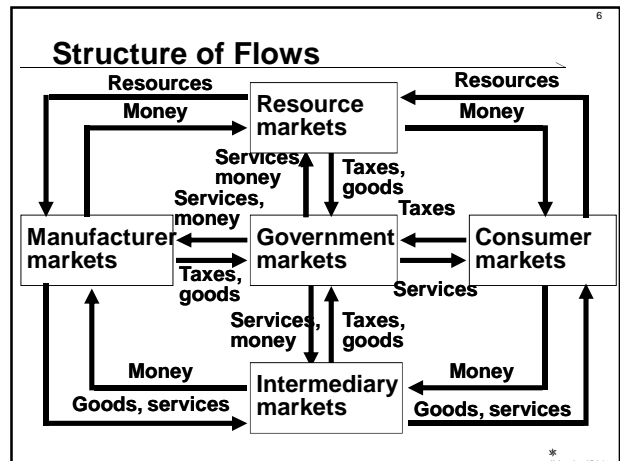
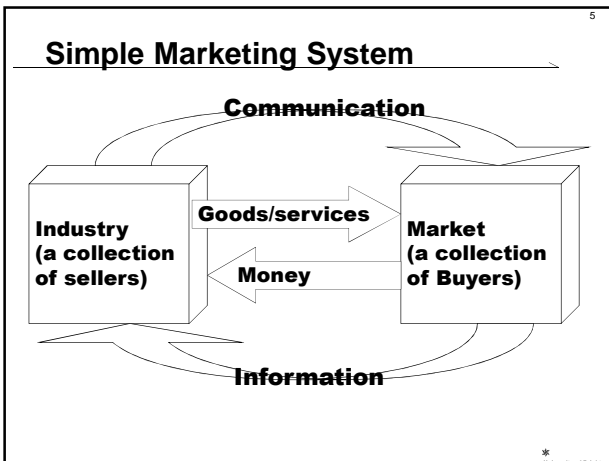
Whatever be the detail with which you cram your student, the chance of his meeting in after-life exactly that detail is almost infinitesimal; and if he does meet it, he will probably have forgotten what you taught him about it. The really useful training yields a comprehension of a few general principles with a thorough grounding in the way they apply to a variety of concrete details. In subsequent practice the (students) will have forgotten your particular details; but they will remember by an unconscious common sense how to apply principles to immediate circumstances.

- Alfred Whitehead
The Aims of Education and Other Essays (1929)

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- ### Objectives
- Evolving new dominant logic
 - Common measure of business success
 - The alternative approach
 - Concept of Marketing and Strategy
 - Issue of competence
 - The growth perspective
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Evolving new dominant logic

Pre-1900

Goods-Centered Model of Exchange (Concepts: tangibles, statics, discrete transactions, and operand resources)

Thought leaders in marketing continually move away from tangible output with embedded value in which the focus was on activities directed at discrete or static transactions. In turn, they move toward dynamic exchange relationships that involve performing processes and exchanging skills and/or services in which value is cocreated with the consumer. The worldview changes from a focus on resources on which an operation or act is performed (operand resources) to resources that produce effects (operand resources).

Twenty-first Century

Service-Centered Model of Exchange (Concepts: intangibles, competences, dynamics, exchange processes and relationships, and operand resources)

Stephen, V. & R. Lusch (2004), Evolving to a New Dominant Logic for Marketing, Journal of Marketing, Vol. 68, No. 1, pp. 1-17.

Major schools of thought in marketing

- Services marketing
- International marketing
- Relationship marketing
- Strategic marketing

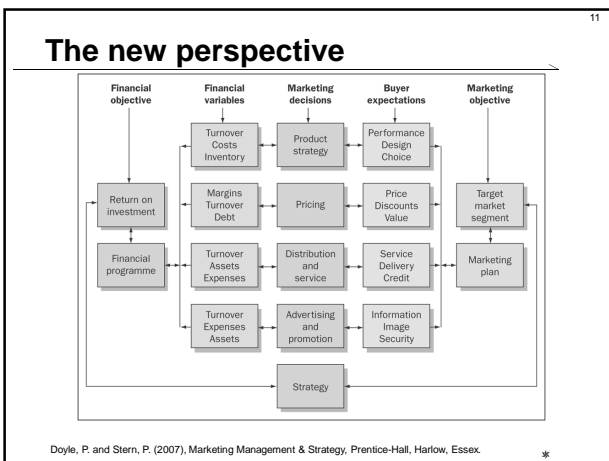
How to measure organization's success?

- Profit
 - Can be played around
 - Past performance not future potential
- Growth
 - Market led
 - Organizations becoming too optimistic about it
- Shareholder value
 - Cash orientation
 - Service orientation than Mfg orientation

How to measure organization's success?

- Customer satisfaction?
- Employee satisfaction?
- Societal satisfaction?

Financially led objectives VS. Market led objectives



Marketing

Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.

Kotler, P. (2003), Marketing Management, Pearson Education, New Jersey p. 9.

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Core concepts of marketing

- Target Markets & Segmentation
- Needs, Wants, and Demands
- Product or Offering
- Value and Satisfaction
- Exchange and Transactions
- Relationships and Networks
- Marketing Channels
- Supply Chain
- Competition
- Marketing Environment

Kotler, P. (2003), *Marketing Management*, Pearson Education, New Jersey pp. 10-15. *

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Marketing management process

- Identifying target market
- Marketing research
- Product development
- Marketing mix management
- Monitoring

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Limitation of marketing concept

- It is an incomplete idea. It says nothing about how a company should go about satisfying customer needs. It ignores the question of company capabilities and limitations.
- It does not specify which customers a firm should focus its attention on.
- It assumes a causative relationship between customer orientation and profitability without an underlying argument or proof.
- It assumes that customer can articulate their needs and wants and does not consider how to anticipate customer needs, especially in the case of rapidly developing technology.
- It has weak strategic content. It does not define a good strategy or how to develop one.

Webster, F. E. Jr. (2002), "The role of marketing and the firm," in Handbook of Marketing, B. Weitz and R. Wensley (eds), Sage Publications, London, pp.66-82 *

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The Four Ps, Cs and As of marketing

McCarthy, J. (1978), *Basic Marketing: A Managerial Approach*, Homewood, IL: Richard D. Irwin.
Kotler, P. (2003), *Marketing Management*, Pearson Education, New Jersey.
Sheth, J (2004), *Marketing Paradigms for Emerging Economies*, Proceedings of international conference at IIMA, India

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The traditional marketing approach

- Managerial process
- Transactions Focus
 - orientation to single sales
 - discontinuous customer contact
 - focus on product features
 - short time scale
 - little emphasis on customer service
 - limited commitment to meeting customer expectations
 - quality is the concern of production staff
- High consumer trust
- Growing prosperity & Homogeneous demand
- Dominant manufacturing power
- Poor distribution structure

Payne, A. (Ed.) (1996), *Advances in Relationship Marketing*, Kogan Page, London.
Shukla, P. (2005), *Pitfalls of Traditional Marketing*, under publication *

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Marketing Myopia

- What are business leaders myopic about?
- Market dynamics and stagnation of marketing approaches
- Shortening of long-term competitive advantage
- The myth of superior quality and technology

Levitt, T. (1960) "Marketing Myopia", *Harvard Business Review*, July-August, 45-56.
Shukla, P. (2005), *Pitfalls of Traditional Marketing*, under publication *

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Marketing Myopia

- Four self-deceiving conditions leading companies to believe they are in a “growth” industry:
 - An expanding and more affluent population
 - No competitive substitutes
 - Too much faith in mass production and declining unit costs
 - Preoccupation with the product

Levitt, T. (1960) "Marketing Myopia", Harvard Business Review, July-August, 45-56.

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Strategy

- Resource optimization
- Timing

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Operational vs. strategic marketing

<ul style="list-style-type: none"> ▪ Operational Marketing <ul style="list-style-type: none"> ▪ Action-oriented ▪ Existing opportunities ▪ Non-product variables ▪ Stable environment ▪ Reactive behaviour ▪ Day-to-day management ▪ Marketing department 	<ul style="list-style-type: none"> ▪ Strategic Marketing <ul style="list-style-type: none"> ▪ Analysis-oriented ▪ New opportunities ▪ Product market variables ▪ Dynamic environment ▪ Proactive behaviour ▪ Longer range management ▪ Cross-functional organisation
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Strategic success: macro factors

- Environmental fit
- Timing and success
- Efficiency vs. Effectiveness
- Speed and decisiveness
- Ambitious intent
 - Operational
 - Tactical
 - Strategic
- Outstanding competencies

Doyle, P. (2002), Marketing Management and Strategy, London: Prentice Hall.

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Strategic success: micro factors

- People
- Structure
- Strategy
- Systems
- Leadership

Doyle, P. (2002), Marketing Management and Strategy, London: Prentice Hall.

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Growth strategies

		Current products	New products
Current markets	<i>Market penetration strategies</i>	<ul style="list-style-type: none"> • Increase customer loyalty • Increase market share • Increase product usage: <ul style="list-style-type: none"> – increase frequency of use – increase quantity used – new application 	<i>Product development strategies</i>
New markets	<i>Market development strategies</i>	<ul style="list-style-type: none"> • Expand markets for existing products: <ul style="list-style-type: none"> – geographic expansion – target new segments 	<i>Diversification strategies</i>

Doyle, P. (2002), Marketing Management and Strategy, London: Prentice Hall.

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Marketing as organizational culture

- The only valid definition of business purpose is to create (serve) a customer
- What the business thinks it is producing is not important as what the customers think they are buying; what they consider to be 'value' is decisive
- Any business has only two functions: marketing and innovation
- It is not enough to entrust marketing to the sales department
- Marketing is the whole business seen from the point of view of its final result, that is, from the customer's point of view.

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