

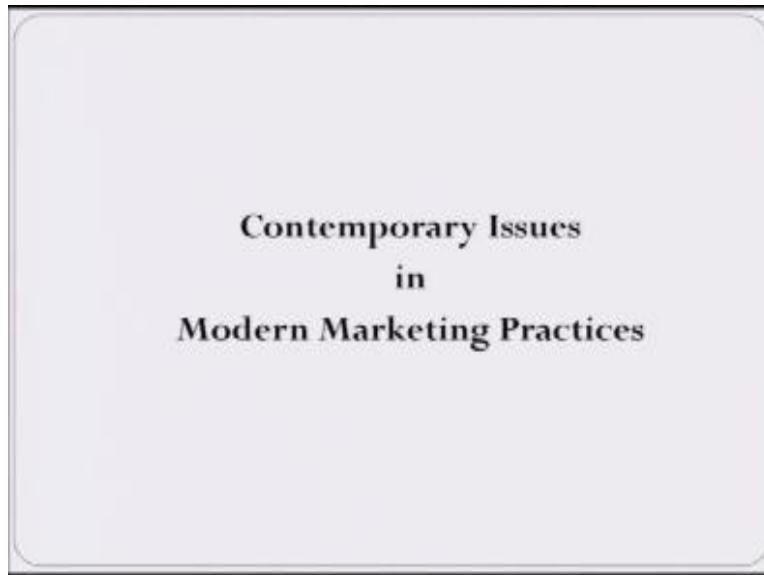
**Indian Institute of Technology Kanpur
National Programme on Technology Enhanced Learning (NPTEL)
Course Title
Marketing Management – 1**

**Lecture: W1.I.6
Introduction To Marketing**

**by
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Dr. Shashi Shekhar Mishra: Hello and welcome to the concluding session of our first module, introduction to marketing.

(Refer Slide Time: 00:21)



Dr. Shashi Shekhar Mishra: This is the sixth session of this first module on the course. So we are going to talk about the contemporary issues in modern marketing practices. This is in continuation to what we have seen so far, wherein we have tried to understand what marketing is as a process, then what are the core concepts in the marketing, what are the basically different set of activities that are performed by the organization in conducting the marketing.

And then we have looked into the differences in the marketing of product as well as services. So I am going to basically conclude this module by talking about some of the emerging and contemporary issues in modern marketing practices. So when we talk about contemporary issues in marketing one thing which probably we need to understand is, marketing is becoming a very, very fast paced function actually because of the intervention of different environmental aspects on it.

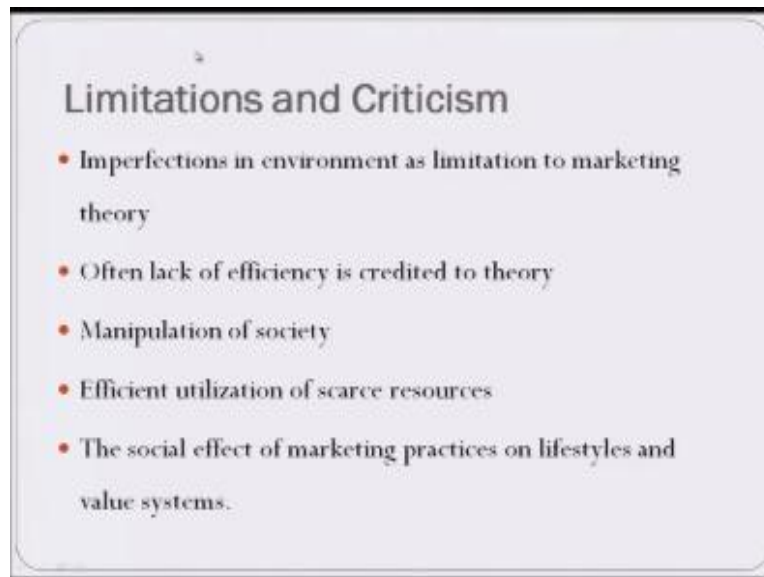
And the role of marketing has evolved over the period of time as we have discussed in the last two sessions, that how marketing has evolved from the early 20th century to the present time. So the role of marketing is changing, it is – today it is not viewed just as an organizational function, basically we have moved from the concept of marketing to market orientation where we believe that marketing is an organization wide practice.

And it has to be imbibed by all functions inside the organization across all the department, the activities have to be performed collectively. And this market orientation as we discussed has three dimensions that intelligence gathering, intelligence gathering, dissemination, and response from the organization. So there has to be a concerted coherent response from the organization.

However still a lot of organization even today probably practice that marketing as a solo function of one department probably named as marketing and says, however marketing is basically a state of mind and business philosophy to solve the customer problems, to create customer solutions, and in turn basically creates profit for the organization.

So for organizations they have to understand that it is not just a function basically, it is an organization wide activity and all other function have to coordinate and probably take part in the marketing as a philosophy to solve customer solutions, and that will make the organization as a customer oriented organization.

(Refer Slide Time: 03:17)



Dr. Shashi Shekhar Mishra: One of the very important thing to understand while we will be discussing about different aspect of marketing as a process, the theoretical underpinnings of the marketing as the different aspects of the theory. We need to understand certain limitation and the criticism of some of those things. One of the thing which is very commonly talked about is that marketing some time is not that much relevant when we talk about the field practices.

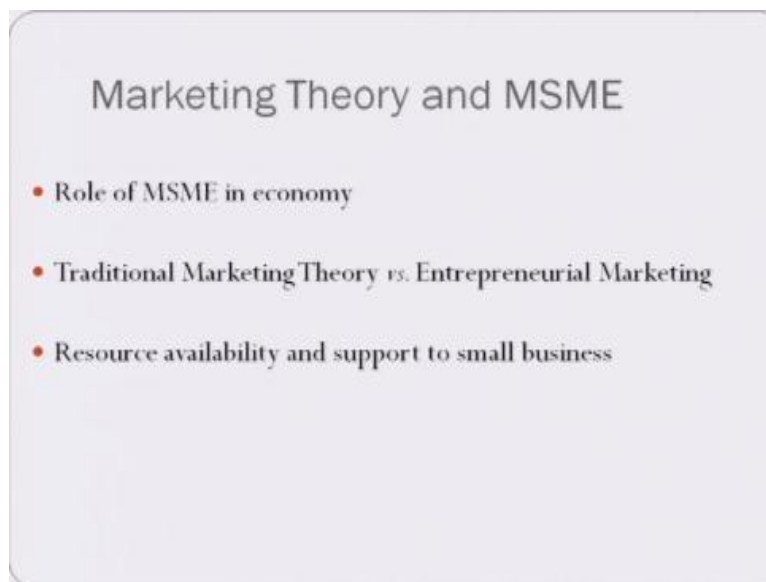
What happens is, because of the inefficiency of the way the companies perform this marketing activities, they are ineffectiveness actually leads to believe that marketing is not relevant. So that is probably not the right thing, there are some other concern basically that some of the marketing practices are manipulative in nature, and they have bad effects on the society. So probably urging people or probably prompting people to eat more, a fast food is something probably which will not be appreciated by the society.

Though it may probably generate some kind of profits to the organization, however at a large probably this is not beneficial to the society. Then it is also important that how basically in the process of serving the customer, how we are utilizing the scarce resources, the natural -- the consumption of the natural resources while company is delivering its product and the services,

because these resources are very limited, these resources are limited in nature and if they are over consumed and they are consumed at a fast space then probably, we probably hamper or probably we are not doing good to the probably nature also.

So these are some of the concern and then one more concern which is very prominently cited with the marketing practices, the bad effects of the promotional campaigns are probably the practices which are prevalent in the marketing about how the products are promoted in the society so all these have effects on the lifestyle and the value system of the generations and the people in the society.

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Dr. Shashi Shekhar Mishra: One more concern probably about the marketing theory is the existing marketing theory is that most of these theories have been developed in the context of the large organizations, so how relevant these theories are in the context of the small organizations because these small organizations face different kind of challenges, they have more scarcity of essential resources and sometimes because of this resources and the network which is existing around these organization may not be very favorable, or probably in a similar way it might be favorable to like as it in the case of the large organization.

And that is why some of the existing theories are criticized because of their applicability or probably their limitation for application in the, this is small and medium scale enterprises, then.

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Dr. Shashi Shekhar Mishra: Increasingly probably one of the aspect which is becoming very, very important in the marketing is the effect of globalization. Now whatever maybe the extent of the effect of globalization but one thing probably which most of the scholars agree on is that globalization affects almost all the businesses across the world, so if they affect all the businesses across the world then probably understanding this globalization is an extremely important phenomena for any business or any firm in irrespective of what kind of market, what kind of industry it is operating.

One thing which, which is happening probably because of the technological changes or probably technological development is that the information, information barriers are coming down and because of that we are increasingly seeing that organizations are crossing the boundaries, physical boundaries and then they are collaborating. One more thing which is which is becoming very prevalent is that because of the modern-day transportation mediums people can move from

one place to the other place and in fact product and services can be delivered from one place to the other place.

All these things are basically contributing through the increasing international collaboration and outsourcing, so outsourcing from China and India is a basically very common topic which has been talked across the developed world nations because there has been a lot of job losses from some of those countries to this India and China. A lot of basically work has transferred from many of the developed and developing nations to the China and on the other side lot of service sector job has come to the India.

So this has been something which has affected almost all the organizations and because of this international collaboration and outsourcing the competition has become very intense, today your competition is not restricted to only the local level, you may end up facing even the international competitors for your product in your local markets also and which is what we are seeing today in India that almost all the products in the manufacturing sector they are coming from outside India also.

So you have increasing pressure from some of these competitive forces and that needs to be addressed and because of all this hyper competition in the environment you have a very less control on your markets and you are less able to predict what will be the future, so all these things basically contribute to the intense competition and what is happening is because of the standardization.

Because of the lack of the information asymmetry, the disappearing, the geographical boundaries, we will see that standardization of product is happening across the world and customers are becoming more and more similar across the world, and more of piercing, more of cosmopolitan customer groups across the world. And because of that this importance of MNC's are also I mean they are also becoming relevant to all markets.

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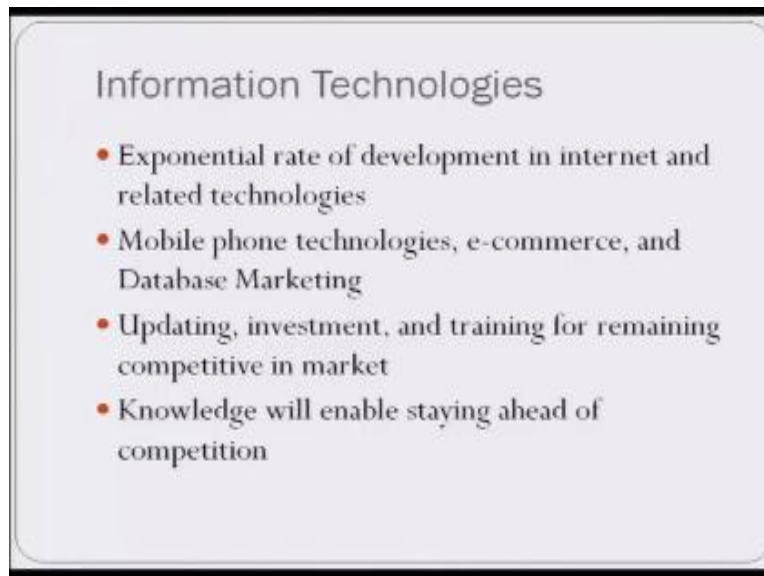
Dr. Shashi Shekhar Mishra: Now talking about another issues in the marketing is that which is very, very important are which is becoming, which is getting lot of attention from the academicians as well as practitioners in the marketing area is about the green marketing or the environmental concern as the after effect of some of the marketing practices. So there is a growing concern about environmental deterioration across the world.

Even it is beyond probably marketing or something which is being talked about so much in our society and because of this organizations have to ascertain their roles, how they are contributing to the society on their effect on the environmental aspect and in this case some of the basically market say we are customer oriented organization are able to place themselves or create in each image of them.

That they are environmental friendly and in turn basically they are able to generate a positive image, a positive response from their customers and their stakeholders. What we are also increasingly see across the world is, that there are increasing regulations, law that basically demand companies to be very, very responsible in their behavior towards the environment.

So all these things are further basically putting pressure and organizations in general have to become very conscious about what they are doing with respect to the environment.

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Dr. Shashi Shekhar Mishra: Probably another topic which, which probably which must be talked about in the contemporary issues of a marketing practice is that this development in the information technology area. So what we are seeing is the exponential rate of development in the internet and related technologies and some of the area's where we see lot of growth is this mobile phone technologies, e-commerce, and database marketing. You see the earlier the companies used to deploy lot of basically mass marketing tools to promote their products or to the target to reach to the target customers.

However if we today see, today if we see the approach of the companies what we will see is that their approach is more targeted and that is based on the databases, that is based on the probably verified or probably information which is very reliable in nature. So because of these availability of information the companies are targeting the customer in a very precise manner, and one more thing which is happening because of this.

The return on investment in the marketing is also coming into the picture. So companies are basically utilizing these technologies more and more, what is required probably what is essential for any company to exist in today's world is and marketers have to specifically understand that they have to be updated in their knowledge about information technology in its uses, they have to invest in these technologies.

And they have to be continuously trained so that they can use these technologies to remain competitive. Some of the companies are able to use some of these technologies to be staying ahead in the competition also.

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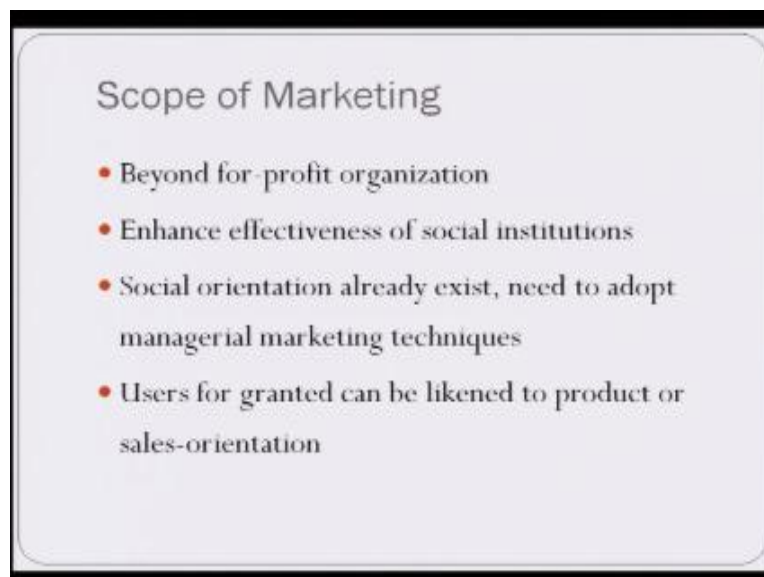


Dr. Shashi Shekhar Mishra: One more aspect which we need to talk about modern marketing is that, marketing is as, as a basically concept, as a philosophy, it is going beyond the for-profit organization, scope is expanding and more of more organizations like nonprofit organizations are feeling the importance of this marketing as a philosophy. Because when we when we when we start talking about marketing as a philosophy rather than organizational function.

Then we realize that marketing can be as important to these some of these non-profit organizations, political organizations, as probably they are useful for the corporates. So probably you see lot of basically uses of the, the marketing concept is being utilized in the political campaigns of the, and political campaigns of the candidates across the world, whether it was a campaign of Obama in 2008.

Whether we see the state elections in the recent time or whether we see the national level elections, Lok Sabha elections in the recent time, we will find out that even the political parties have utilized or imbibed this concept of marketing and used the technology and the social media to reach to the probably their target voters.

(Refer Slide Time: 15:42)



Dr. Shashi Shekhar Mishra: What is also happening is even the social institutions like NGO's are recognizing the value of this philosophy and what is important there is, the social institution already serve the needs of the targeted mass actually. They serve the needs what they require is, they, they need to understand, learn, and probably apply some of the managerial marketing techniques to gain the effectiveness in what they are trying to do, or probably the way they are trying to serve the customers. So lot of basically NGO's or probably organizations like WHO all

they are basically increasingly using are employing this marketing practices to create awareness about the causes for which they are probably working in the society.

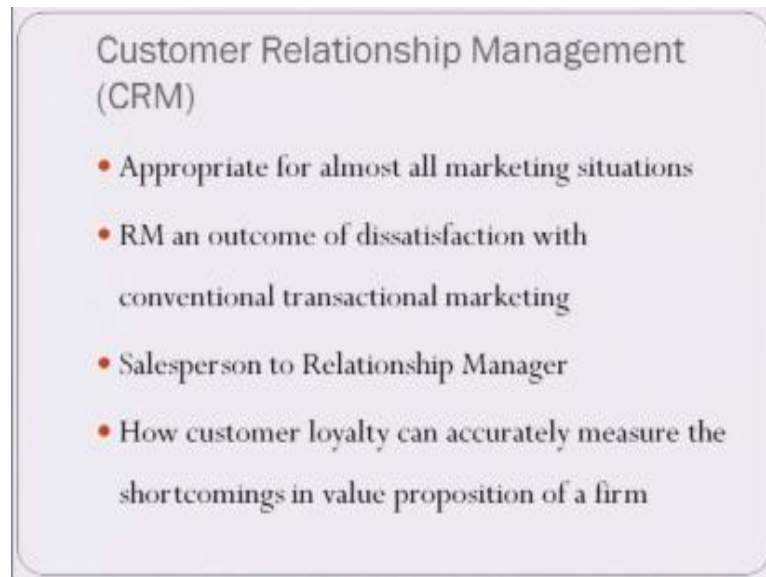
And probably they are also using the various way probably of, or some of the marketing techniques to basically make the, the targeted population involved in their causes and utilize or probably get the maximum benefit about their work.

(Refer Slide Time: 16:56)



Dr. Shashi Shekhar Mishra: Now we have already discussed this thing in the previous sessions like the differences in the marketing of the services and the product. Services cannot be marketed like products because there are inherently four differences, intangibility, inseparability, heterogeneity, and perishability where consumption, consumption happens at the time of the production itself. So the role of the employees and basically customer is very important, so you need to train your customers, your frontline employees are very important in the final outcome of the services, and this is where you will find out that the practices for the services marketing are very different from the product.

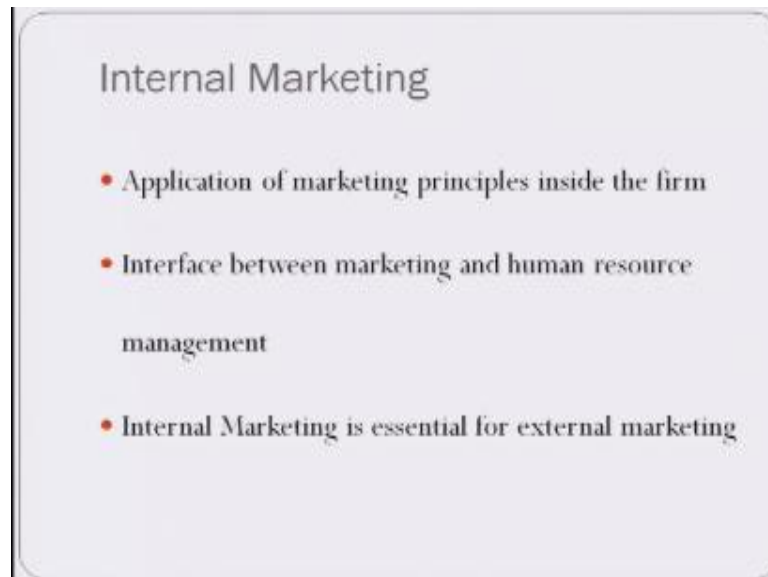
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Dr. Shashi Shekhar Mishra: Then probably in 90's and probably the early 21st century we have seen the evolution of this customer relationship management where marketers have understood the short comings of single transaction based approach or basically a long-term view and the relationship with their customers, and when we will see that this, the concept of relationship marketing is relevant to all marketing situations.

Now what is happening because of this, that more of basically this approach is changing from sales to market orientations, companies or probably salesperson are changing from, are finding their roles to be changed from as a sales agent or sales person to basically relationship manager, because it is very important, it is said that the cost of acquisition of a customer is very high and that is where this role of the relationship marketing comes into the picture that you should if, if you are able to retain your customers in long-term profitability and survivability chances increases by many fold.

(Refer Slide Time: 19:00)



Dr. Shashi Shekhar Mishra: As we have seen in the case of the difference between services and the product marketing, the role of the employees and the different stakeholders and that is where this role of internal marketing is coming into the picture. However, the probably the concept of internal marketing is as important in the services marketing, as in the case of some of the other aspect. Because the employees are the people who satisfy, who will let an organization to satisfy the need of the customers which is very important for the employees also, to be satisfied.

And that is where the, the internal marketing come into the picture, this is basically the interface between the marketing and human resource management.

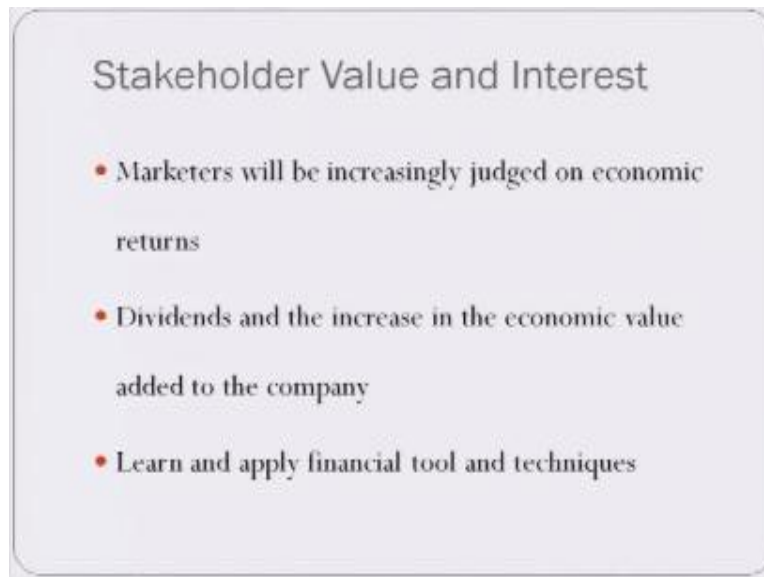
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Dr. Shashi Shekhar Mishra: Then we are also seeing a lot of changes which are happening in the way the companies are distributing the product. As we understand time and the place have their own utility. If a product is not served, is not served within a certain time period, and if it is not served at a particular place its utility will go down or probably customer will not at all be ready to have the product. So, that is why this role of marketing logistics is very important and this is where the companies have imbibed the new techniques of operation research and some of the area like containerization to basically improve their efficiency and effectiveness in the marketing logistics.

Further the technological intervention and e-logistics are changing the landscape of the way the companies distribute their product in the market.

(Refer Slide Time: 20:45)



Dr. Shashi Shekhar Mishra: And the last thing that comes into the picture in the contemporary issues of the marketing is how marketers are serving the interest of the various stakeholders of the organization. So marketers are increasingly judged on the way they are creating the value or the economic returns for their stakeholders. The economic return is basically the dividend and the increase in the economic value to the company.

And if you are able to basically enhance the value of, or if you are able to generate more economic returns for the company you will be probably judged as a better marketer. And if you are able to serve the interests of your stakeholders you will be probably seen as more successful marketer. Now in because of this marketers have to learn and apply the financial tools and techniques more and more, and they have to understand some of these practices in a much better manner so that they can face the future challenges.

So I come to this concluding, so I come on basically end of the session and we are concluding this introduction to marketing here, and when we will meet in the next week we will start the next module on the business environment in the strategy. Thank you very much.

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