

**Integrated Marketing Management**  
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**Lecture – 01**  
**Evolution of Marketing**

Welcome to this week 1 lectures. Let us look at the Evolving the Marketing.

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Marketing-	social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with customers Human activity directed at satisfying needs and wants Through exchange process
Product-	something that is viewed as capable of satisfying a want
Exchange-	one of 4 Alternative options
Conditions:1)	two parties 2) each party has something of value to the other 3) each party is capable of communication and Delivery 4) each party is free to accept or reject the offer
Market-	arena for potential exchange Human need, Product type (relaxation market.) (Shoes market.)  Demographic market. Geographic market.. (Youth market.) (French market..)

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The concept was there even much earlier before it gained the name of marketing. Just to give you an example, suppose let us say you are an individual who has become very hungry, but you know how to make food by yourself. One of the alternative option that is available to you is to produce your own food, this is called self production.

Suppose you are not able to produce your own food; you see some other person having food. You are a very strong man that person maybe not a very strong person. What can you do? You can go coercion to part with food, this is called coercion. Now, suppose the reverse happens that is you are a weak person and you desperately want to have food; the other person is a strong person having food, then what can you do? You can beg him to give you some food, this is called supplication.

Now, you do not want to do either of this coercion or supplication and you do not know how to produce your own food. Now, what could be the other process that you can think

of? You can go to a right royal method that is called exchange. You can approach the other person and say look you have got food, I have got in return for your food this money, can we change this food to this money. This is called exchange. So, this exchange happens to be one of the 4 alternative options that is available to an individual.

He has got four options - self-production, coercion, supplication, and exchange. So, this exchange happens to be a better under right royal option. The conditions for this exchange are there are two parties involved, each party has something of value to the other, that is he can offer something of value to the other party. Then each party is capable of communication and delivery that is he can communicate with the other person and also deliver whatever product is required by the other person.

With all this this exchange may not take place, because the fourth condition of exchange is that each party is free to accept or reject the offer of the other. You may be thinking that the other person might be interested in your product, but at the end of this process of communicating to him; he may say I am not interested in your product or offering.

This is the fourth condition of the exchange process, that is each party is free to accept or reject the offer of the other. If you look at a market, what is a market? This market can be looked at as an arena for potential exchanges – i.e. there is a potential for the exchange to take place however need not necessarily take place.

Markets, if you see worldwide, they serve as an arena for potential exchange, but most of the times the exchange process will not take place. So, a marketer has to be prepared for this eventuality that, the exchange may or may not take place ok. If you look at the present day's fiercely competitive market this becomes even more obvious.

So, when people, when suppliers approach a consumer and the consumer has a lot of basket from which the same product is available from different suppliers, he would like to evaluate the product of the different suppliers. Then he will zero in on one particular supplier, and then he may go in for the process of exchange.

If you go to a place like Big Bazaar you can see so many things on offer; everything appears to be interesting when you see it for the first time. When you look at it more and more in depth you may take a decision yes it is interesting, but I am not going in for this offer, you may decide against going in for the offer.

This is where markets are heading towards now. In other words the buyer in the Indian market is having lot of options in the present-day scenario. It is no longer a supplier's market, it is a market where the buyers have a lot of choice, they can choose from a large variety of offerings. And, from this large variety of offerings the buyer can zero in on that particular product which he thinks is most suited for him.

When we looked at what is a product this product is something which is capable of satisfying a want. So, product is something that is viewed as capable of satisfying a want. We looked at this person who is a hungry man and what is going to satisfy him-food is going to satisfy his hunger. Now, in the offering of the food itself there maybe variety of foods which the consumer right now can have and say I will have this offer 1, or offer 2, or offer 3, this is more suitable to me like that.

This becomes what is called a product offering, this product offering to satisfy the needs of the consumer. So, when we look at all this, how can we define marketing formally? If, you look at this this marketing can be defined formally in this manner the top that is where you see it is a social and managerial process, by which individuals and groups of time what they need and want through creating and exchanging products and value with customers.

What is the social process? Because, people are involved in this process of marketing; so, for marketing to take place you require people that is there should be at least two parties in an exchange process, there may be more number of parties also. It is also a managerial process. What is this managerial process? Why it is a managerial process? Because as a consumer you have to take the decision, whether you are going in for the product or not going in for the product. So, in other words decision making is involved.

It is both a social and a managerial process, by which individuals and groups of time what they need and want, there is there are two terms, which are placed here one is need, another is want. What does it mean? Need maybe something basic that is you require that want is something above this ok. You wanted a 4 wheeler; you can have a basic 4 wheeler without any automatic options, that is satisfying your need.

Now, when you looked at the other person having automatic options of windows closing, remote locking all those types of things. You may like to graduate from this need to having those options. So, whatever earlier was want for you it may become need? So, the

needs and wants many times are getting addressed according to the situation and the affordability of the consumer.

A basic model of computer you may want to be the need that is in the present-day circumstances, but the party might want I would like to have advanced options of different programs, different calculations, different settings which are required where you are going into the next level. That next level is where you say I want all these types of offerings on my computer.

So, these individuals and groups of time what they need and want to through creating and exchanging products and value with customers. So, when you are looking for higher options automatically the value of the product, which is going to be offered to you will also be more. And, if you can afford to have that your needs and wants to go through an interchange process, that is whatever was your want earlier, it may become your need ok.

Some years back when computer was really not there as an offer, this computer was a want. Now, what is the present-day scenario? Computer has become a need - your little son or daughter may like to use that computer whether it is an iPad and that may be used in his or her class by the teachers also for imparting education.

So, whatever was a want earlier that is you did not want to have that, now as the time has progressed that is in our terminology as the environment has changed this want has become a need ok. So, earlier when mobility was not all that significant you could walk to your workplace.

Now, if you see the present-day scenario, you are covering a lot of distance to reach your place. Mobility becomes extremely important. You may use your own car, you may use bus, or you may use a metro. Earlier, what was a want, now has become a need.

You must say my house will be about 20 kilometers away from the workplace, I shuttle to the workplace through this different options, I come to the metro station by a bus from the metro station I catch the metro and reach the destination, again from the destination I reach that workplace again by a another bus. All these have options are made available to the consumer right now.

This is one formal method of defining marketing. Suppose you want to simplify this definition of marketing - you can look at marketing as a human activity, kindly note that all this activity been performed by humans only directed at satisfying needs and wants through the exchange process.

Human activity is directed at satisfying needs and wants through exchange process. We looked at what is exchange. Exchange is one of the 4 alternative options that is available to an individual, we looked at a person who is hungry he has got these four options to exercise, that is he can produces his own food or he can if he is a very strong person make that weak person the other person to part with food.

If he is a weak person and the other person is strong, he can beg him to give food. He does not want to do any of these he can go into the exchange process saying that I will give you a money give food. This is where the marketing can be looked at as a human activity directed at satisfying needs and wants through the exchange process.

There are different types of marketing. And, some of the if you look at the different types of marketing. The, you can have a human need type of marketing or you can have a product type of marketing, and examine main example of human need type of marketing can be your relaxation market, what is this relaxation market?

If you look at the present-day scenario, you find that you are tensed through the week- that is you have put a lot of stress right from the morning up to the night. And, then you may during the weekend like to relax. This relaxation may take different forms like it may it can be going to a resort, or it can be going to a spot treatment, or it can be going to meditation, or it can be going through yoga, or it can be a combination of all this.

The result is there are providers of this relaxation for the humans. They are looking at the relaxation market. And, if you look at the present-day ads in different media, whether it is a print media or the visual media, you find lot of advertisements on this relaxation market coming up, these are trying to satisfy the needs of the individual who is dressed up in the workplace.

The second type is your product type market, starting from the basics for an individual for him to look a little better and also comfortable for example, he may like to have shoes. The shoes is a very big market in the present day circumstances, you have all

types of shoes, it can be a formal shoe, it can be a non formal shoe all this coming under the shoes market.

The third type of market is called the demographic market or the youth market. If you look at the present-day scenario, many of the products which are being sold in the markets, they may be targeting the youth, what could be a good example? A good example can be your two-wheeler market, in the two-wheeler you may look at the bikes, bikes are likely to appeal to individuals.

These individuals are going to look at bikes, which can zoom at a very high speed perhaps they want to exhibit that they can driver at big speeds. If you look at the present-day market of for these bikes you may see this bullet us making lot of noise and also zooming. The present-day Indian youth is fond of taking these types of bikes.

If you are a middle-aged person or an aged person, you may not like this sound of this bike, but for this youth, that is the sound which he wants. These many products which are offered in the present-day scenario make an appeal to the youth, whether it is the product which I just mentioned the bike or it may be a product a different product altogether, which he may like to use. So, which he may which may appeal to him for a particular age group.

So, a person in the 20 to 25 he may like a few things, 25 to 30 year a few additional things, 30 to 35 a few more additional things like that. We will look at all these things in more detail when we go along. The fourth one is what is called the geographic market. What do you mean by this geographic market? This is best explained by an example of the French market. What is this French market? This French market is well known for creating fashion.

So, there is a story which dates to more than perhaps the 1800s period, when women are wearing long skirts - European women. For one of these girls who was wearing this long skirt, this skirt had given way at the bottom that is it had got tore on at the bottom, and this tore on piece of the skirt was in fact, more or less sweeping the road on which she was going. Many people observed this tore on piece of the skirt.

They said this is a new fashion, the result was the next few days followed by many girls wearing a skirt, which is tore on at the bottom and which has more or less sweeping the

road. Now, if you look at the women's dress in the market right now, the same piece which was more or less sweeping the road is still there, but it is there at the top of the skirt. So, these are the different types of markets which are available to you and this is how markets are broadly categorized, that is it can be a human need market, it can be a product type market, or it can be a demographic market, or a geographic market.

Human needs market is based on the needs of the individual, product type markets based on the products which are offered for the individual, demographic market, being characterized by the age of the market, that is the individuals the geographic market from the regions that is concerned ok.

We will stop here we will take up in the next class, that is the next lecture the next aspects of market.