

Changing marketing paradigms : issue and challenges assignment

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Topic: Changing Marketing Paradigms : Issue and Challenges Date:

23/11/2009 Submitted by- Ravindra, Raghav Mishra, Parijat Singh

Marketing?? is a??” social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others. ” It is an integrated process through which companies create value for customers and build strong?? customer relationships in order to capture value from customers in return. Marketing is used to create the?? customer, to keep the customer and to satisfy the customer.

With the customer as the focus of its activities, it can be concluded that?? marketing management?? is one of the major components of?? business management. The evolution of marketing was caused due to?? mature markets?? and?? overcapacities?? in the last decades. Companies then shifted the focus from?? production more to the customer in order to stay?? profitable. The term?? marketing concept?? holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions.

It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors. Marketing Paradigm A marketing paradigm defines the way marketing is being done by means of a set of procedures and attitudes. The traditional marketing paradigm Although marketing may have the same age as civilization itself, when talking about modern marketing as an applied art, the 1960s and 70s must be considered

the beginning, in consumer markets where relatively low-valued products were sold to mass markets using mass media.

Determining first the customers' needs, and producing after that a product or service able to satisfy these needs were the most important aspects of the marketing theory based on the fact that the firm's strategic decisions were driven by customer expectations. Along the years this fundament has suffered many changes and even different names, among which there are: marketing orientation, customer driven, the marketing philosophy, customer intimacy, customer focus, and market driven.

The evolution of marketing seen as a discipline also suffered many changes such as: shifts from mass marketing to segmented marketing to mass customization; actions of including industrial markets (based on the concepts of " long-term marketing relationships", " micro segmentation", and " buying centers"), electronic markets (based on the concept of " personalized marketing"), and channel management (based on the concepts of " supply chain marketing programs" and " distributor marketing programs"). New marketing paradigms

A new perspective on marketing was felt as necessary since 1980s, when a group of theorists considered this gradual evolution as no longer pertinent, considering marketing as an established discipline ripe for a paradigm shift. Their perspective is often related to relationship marketing, customer experience management, or network marketing. For relationship marketers a complete revamping of the discipline is necessary, due to the shift from single transaction marketing to long-term relationship marketing.

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Their option is denied by the customer experience marketers who disagree with relationship marketers' dependence on customer relationship management software, which caused them to lose focus of the individual customer's experience of the service encounter. Network marketers bring a new view pointing out the interconnectedness of market actors and transactions, being seen as the application of systems thinking to marketing.

Any of these views bring great contribution to marketing, even if a gradual evolution, or a radical paradigm shift may be related more to factors associated with the individual's psyche than to any objective or empirical system of change categorization. A special kind of marketing practice, incorporating public involvement in the development of an advertising/marketing campaign, is known under the name of "communal marketing", having as a result a "communal advertising".

A campaign using such type of advertising uses consumers' ideas of what the brand means to them expressed through their own personal stories, with the use of print media, film or audio, composing a "consumer generated content" which will be incorporated into the campaign. After that, through a cross-media campaign, the extended community is invited to share in the results, creating a communal bond between the "brand champions as advertisers" and other individuals who are connected with what the brand has to offer.

This leads to extending the relationship between the brand and the customers and also to creating a deeper connection between the brand and their core market. Although different from viral marketing or word of mouth

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advertising, a high level of publicity within high relevance communities is still achieved, a necessary act since the success of the brand depends very much on these communities which normally follow the 80/20 rule, where 20% of the brand's customers account for 80% of its sales. Considering the consumers as co-collaborators and co-creative is an important aspect of communal marketing.

In the end the construct naturally lends itself to other "communal" marketing activities (such as "communal branding" and "communal research"), the trend being incorporated into consumer-based, "virtual" advertising agencies using consumer-generated content exclusively. A "communal branding" effort is developed each time the consumers become co-collaborators in an advertising campaign, "communal research" engaging the brand's audience which help making marketing decisions during the development of a campaign.

Such an example is Peter Jackson, who reached out to readers of the book in order to help him weigh in on some major directorial decisions when making ??? "The Lord of the Rings".

Toward a New Marketing Paradigm

Toward a New Marketing Paradigm Below are ten observations from the field, suggesting a shift toward digital marketing, if you will. Hope they resonate with you, and perhaps you have noticed some of these trends yourself. The Customer Century is here.

At the risk of stating what should now be obvious, there has been a fundamental shift in power from those who sell stuff to those who buy stuff.

Thanks to the Internet, the customer can, in a matter of moments, do the

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kind of research that was once the exclusive province of entire corporate research departments. Translation: Potential buyers can analyze and compare your offering with those of your competitors - literally, with a few clicks. We are living in a time of unprecedented corporate " transparency. " As Freud once observed, secrets secrete. But now they are secreted at web speed.

There used to be a backstage where corporate actors could change costumes, freshen up their make up, curse the inattentive audience, snuffle down some toast and jam, take the occasional snort of gin - in other words, be absolutely human. It was a great place, this backstage. Everybody could relax, catch a smoke, and be themselves. On the dark side, you could do some things that weren't particularly kosher, like pinch the secretaries or do some incestuous business with cronies. Then along would come your cue, and you'd step out and deliver your scripted lines.

And, in a sort of " imp of the perverse" way, it was fun to deliver such polished lines when so much unvarnished nastiness could be going on among members of the " backstage elite. " Now we marketers are in an awkward position. You see, we're still trying to manipulate appearances. But, thanks to transparency, the backstage is no longer hidden from view, and all (or most) of our supposed secrets are being dumped by angry ex-employees, current employees, and customers into online discussion forums, Usenetnews groups, and the like.

Indeed, at times it appears that the backstage has become, accidentally, the main performance - with spotlights trained on everything thought hidden

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from view – sending audiences into gales of laughter or catcalls of derision. We can't very well put away the scripts, because the actors are human, after all, and not gods. And we need, or so we feel, to create a consistent, positive impression upon our markets. But maybe it's time to rethink the importance of manipulating appearances. At the very least, we need to realign these appearances to more closely resemble what was once just backstage.

The marketing implications of the Customer Century are, frankly, staggering. We're only now beginning to sort them out. (fig: marketing activity chart)

ISSUES OF CHANGING MARKETING PARADIGM: According to Fortune Magazine (Thomas A. Stewart, "Welcome to the Revolution", December 13, 1993) calls inter-related. ? Globalization of markets. ? Spread of information technology and networks. ? Dismantling of hierarchies. ? Invention of the information age economy. "In the new economy all the rules are changing because marketing is becoming completely personalized, if not now, at least shortly," he said.

And, with only seven per cent of the total advertising aired on television, being retained by audiences, only "blinding simplicity, consistency and credibility" would ensure a brand's place in that select bracket. In this day and age, technology is developing so rapidly that changes are occurring all across the board. Faster internet, digital photography, and interactive programs are all making advertising and marketing much easier in the ever expanding world of consumerism. With all these new advances, there are bound to be numerous changes. The changing environment, had shifted from its earlier position as a mass product-driven company with two powerful

brands. At present, the Cadbury stable comprises more varieties, to pander to the variety-seeking consumer. Broadcast technology is the cornerstone of mass marketing because it provides the vehicle through which the firms can speak to their target markets. Third is the role played by a central hierarchy, through which a relatively small number of marketing managers could plan and execute market programs that generated millions of dollars in revenue.

Finally, mass marketing was dependent upon a mass production economy in which 1) consumers were willing to buy the items that were identical, or at least very similar to, those of their neighbors, and 2) manufacturing facilities were geared to producing millions of these identical items. ARE FMCG brands, as they exist today, losing their relevance in the market place, even as consumer-need fulfillment models escalate to different levels? Is 'brand variety' replacing 'brand loyalty' even as short-term brands re-emerge vis-a-vis the time-tested long-term brand?

And where, in the whole new world of e-marketing, does customization end and intrusion into privacy begin? The ever-changing paradigms of the new economy, the importance of 'consumer insight' in personalizing market strategy and the concerns of privacy on the Net were some of the highpoints of the deliberations at the 'Marketing Summit 2000', organized here by the Confederation of Indian Industry. Old vs. New Marketing marketing?? does: presents the customer with things they might want. Currently, customers spend a lot of time sorting through conflicting information to try to figure out what they want. In the past, these sources of information have been restricted to something tolerably small by things like the cost of printing

presses and the weight of paper. And if information flow became too great, those costs became a throttle. Without enough readers, your newspaper or magazine becomes too expensive to publish. This automatically narrowed the selection to a manageable number of publications, for some definition of "manageable." A new technology can render your niche obsolete (vacuum tubes) A larger competitor can establish a dominating brand (McKinsey and strategy work) The relatively few clients consolidate, grow old, or disappear, providing less opportunity (U. S. television production) ??? An overabundance of competitors forces the small market into a pricesensitive, low-margin position (IT consulting) ??? Government regulation and/or societal pressure collapse the industry (tobacco) CHALLENGES FOR CHANGING IN MARKETING PARADIGM- ??? stares lovingly at its own image reflected on the surface of the pond.

In the Big View, marketing should have its hands in almost everything a business does, from establishing The biggest challenge we face in the industry of marketing is keeping up with technology. Technology is rapidly accelerating, but when it comes to marketing we are lagging behind. ??? About 100 years ago, marketing meant distribution. It literally spoke of the process of getting your products to market and into the hands of the consumer. Over the years, as business trends have come and gone, marketing has also been understood to mean promoting, selling, positioning, targeting, branding, ??? Awareness of consumer basically in rural market. Specialized person and lack of technology. ??? Rhetoric and reality. This is the dead-end paradigm in which marketing languishes today, and it's not only bad for marketing, it's bad for business. Amazingly enough, businesses

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know it. How many times have you heard a senior corporate executive state that his outfit isn't a sales organization, it's a marketing organization? Sure, it's a marketing organization once a year, when it sets strategic goals to penetrate segmented markets in order to deliver customer satisfaction at a profit.

The rest of the year, however, everyone still goes out and pursues whatever sale can be dragged over the doorstep — even when that sale means the company will be blown off course by making commitments it isn't even remotely organized to fulfill. ??? Conflicting perspectives. This fragmentation is one of the main reasons marketing today faces such a credibility gap, and it highlights an ironic shortcoming of the marketing profession: It's inability to position itself effectively and compete for market share in the boardroom.

You might think that marketers who dispense costly strategic advice on how to position businesses and create competitive advantage would be particularly adept at positioning the practice of marketing, locking down its taxonomy, and building the profession's credibility. Unfortunately the cobbler's children have no shoes. While it's easy to find common ground in principle about the function of marketing, the actual practice of marketing belies a spectrum of beliefs. At either end of the spectrum you'll find two camps, the Big View and the Small View of marketing.

The Big View of marketing is what you'll read in marketing textbooks, or what you'll hear from marketing consultants. It's marketing's view of itself as it corporate strategy to building products and maintaining customer relationships. It's notable that in this view, sales is a sub domain of

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marketing, one small slice of the strategic customer life cycle. THE CHALLENGES If you look at these two trends together, it says a lot about where marketing is coming up short today.

Marketing and technology are natural allies, but while technology is in a phase of rapid acceleration, marketing is lagging behind. While some marketers have made effective use of new technology, far too many marketers are still just figuring out how to browse the Internet. There are many areas where they should be working together to reduce the distance between company and consumer, including the continuing evolution and deployment of effective customer-relations-management (CRM) tools — an area still solidly in the hands of IT alone, just like a piece of software.

As the economy slowly stirs back to life, businesses need to examine their own definition of marketing. We need to understand the notion of profit as central to the meaning of marketing, and therefore demand greater accountability. We must understand the historical dependence of marketing on technology and, therefore, demand closer ties between marketing and technology teams. We need to understand that the tightening relationship between businesses and consumers is integral to success, and therefore demand a greater emphasis on customer experience as a core marketing function.

Most of all, we need to understand that marketing plays a critical role in the success of every business. When marketing doesn't measure up, simply limiting its charter doesn't solve the problem if the very definition of the concept is weak. . References/bibliography: Article on?? new, marketing, <https://assignbuster.com/changing-marketing-paradigms-issue-and-challenges-assignment/>

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