

# So logic marketing the concept of marketing has

[Business](#), [Marketing](#)



SD-Logic Marketing The concept of marketing has changed tremendously over a period of last few decades. Initially the concept of marketing revolved around manufactured goods that were tangible in nature however as the economies developed and became more complex it was understood that services are totally different breed of products that are intangible in nature however carry equal importance as that of tangible goods. This gave birth to the concept of services marketing. Services marketing concept defined services as intangible, perishable and heterogeneous in nature.

The services marketing concept differentiates goods from services and explains them as a different entity of economics however there exists a relationship between goods and services in the continuously growing economic world of today. Fargo & Lush (2004) explain that marketing concepts were initially based on goods dominant logic (G-D logic) i.e. based on the exchange of manufactured or produced tangible products. However this trend has changed as the understanding of services has increased and more importance is being given in the production of services.

These services are directly and indirectly related to the good and the marketing of goods as well is also dependent on the services. For example today companies spend millions in after sale services like maintenance warranties and resale solutions to provide satisfaction to the consumers. Therefore the marketing concept has evolved from goods dominant logic to services dominant logic (Fargo & Lush, 2004) The success of any concept can only be identified through its practical application and evaluation.

The key fundamental points of SD logic marketing concept emphasize on the importance of services in relation with the products. It does not only look into the monetary value provided to the companies through the sale of products but also looks in the value received by the consumers in terms of services. First of all SD logic gives a comprehensive and accurate definition of service which is "a process of using one's resources or competencies for the benefit of another entity" (Fargo & Lush, 2004).

Then it gives practical explanation of the key concepts. Over the last few decades the economic market has shifted from goods oriented market to services oriented market and the satisfaction of consumers is directly related to the services provided by the producers and manufacturers. SD logic concepts explain in detail the reason of this shift with logical explanation. The following reports critically evaluate the concept of SD logic presented by Fargo & Lush (2004) and explain why the author agrees with the idea of SD logic.

Lush (2011) explains that historically services were not given much importance and were explained as the residual that was left unexplained by the goods market. For example health care, education, legal affairs and other such industries which generated income however were not tangible in nature were considered services. There was no precise explanation or definition for services. Although as the concept of services grew stronger, properties of services were defined. Services were considered to be heterogeneous in nature, intangible and precise definition of services.

SD logic gives a precise definition of services. According to the definition given by the concept of SD logic service is a process in which one entity uses its resources and competencies for the benefit of another entity (Fargo & Lush, 2004). SD logic explains that the basis of any economic activity is basically because of services. The primary objective of producing any good is to provide revise. For example computers are manufactured products however the reason to manufacture computers is to provide services to consumers like easy calculation and solution of problems.

Therefore consumers buy goods to fulfill their needs that are related to services hence " Goods are a distribution mechanism for service provisions" (Lush, 2011) This may lead to a belief that services are the most important thing and therefore SD logic can be considered as intaglios since goods are of no importance if they do not provide the required services. On the contrary Lush (2011) emphasizes that tangible resources such as goods are equally important s the services they provide therefore play an important role in the establishment of the concept of SD logic.

This can be explained with the following example. When some one buys a computer, it is for the solution and calculation however it also rises the need for printer or scanner or other computer related equipment thus creating a value for other products. Therefore a good becomes a channel to monitor the supply chain of services from other goods and there is a strong correlation between goods and services. Similarly there is a strong relationship emphasized among operand resources and operant resources.

Operand resources are tangible resources such as land, raw material etc which are used in the production of goods where as operant resources are intangible resources like skills, competencies, knowledge and capabilities. Generally under goods dominant logic market much emphasis has been given to operand resources as they lead to the manufacturing of goods however under SD logic operant resources are also equally important as the correct use of operant resources will result in efficient and effective use of operand resources.

For example in order to construct a building it is necessary to have someone who is well ware and has the capability to construct the building. The Job cannot be given to a carpenter or goldsmith since their knowledge and expertise are in a different industry of services. Therefore the rightful use of skills and capabilities will lead to the most efficient use of tangible resources. SD Logic views operant resources as the main area of competitive advantage (Lush, 2011) There is another very important aspect of marketing that is given right importance by SD logic.

The aspect of value from goods dominated logic was generally considered to be the economic benefit that was generated through the sales of the goods. Therefore if a good was sold more, it was considered to be adding value to the economy. The problem with this concept is that it is one sided concept that does not explain the role played by the satisfaction of consumer in the value addition to the economy. Though SD logic does not ignore the value generated through the sales of good but it also examines in detail the value that the consumers extract from the goods.

The value extracted by the consumers adds value to the economy by creating and increasing the need of the products. This explains the fact when consumers are not satisfied from a product, the reduce seize to exist, which was not explainable under the GO logic concept. SD logic Webster, 2011) According to Lush & Webster (2011) as the economies have evolved and become more complex, the management structure and strategies of the companies have also evolved tremendously.

In such period it has become very important for the managers to realize the importance of correct marketing management as it increases the efficacy of the use of company resources and directs them in the right path to achieve consumer satisfaction which in result increases the value of the company through the increase of value of their products and services. The right understanding of value is provided by SD logic concept which emphasizes that strategies should be focused on increasing the value of the organization.

The managements have to understand that optimizations of sales and profits should not be their objective. Consumer satisfaction should be the primary goal of their strategies as it not only will increase the sales of the company but also add value of their product to the economy. This aspect of SD logic the most important aspect of the marketing concept and has laid foundation for many studies. According to Lush Webster (2011) managing has evolved from different stages starting from production orientation to sales orientation and from sales orientation to costumer orientation.

They describe three eras of marketing in their report. Era one is in which marketing is a tool of utility creating and value adding which transitions in

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era two where marketing is value proposing tool and consumer oriented. Era three focuses on marketing in large organizations which have strong network of hierarchies. One thing that is emphasized in all three eras is the importance of value addition to the economy. The report emphasizes that value should not be considered in monetary terms.

As SD logic dictates enterprises should strive to create efficacy in their service support system which will bring satisfaction to their customers. Customers in result will be more willing and motivated to increase their economic relationship with the company which will increase the value of their stakeholders. Lush & Western (2011) debate that managers generally tend to ignore the consumers when they establish the value of their stakeholders.

On the contrary consumers are the biggest stakeholders of the company since they are the one who are on the receiving end of the goods and services provided by the company. The managers strategies to increase the value of the stakeholders therefore their first objective should be to increase the satisfaction level of consumers because that is the only way to increase the value of the consumers. This is also important because it is the consumer who runs the cash flows of the company.

Consumer is the only direct source of monetary funding for the company therefore the services of the company should be totally focused to achieve the satisfaction of the consumers. According to the authors marketing is a tool create value through customer care. Customers are to be given equal importance as the other stakeholders of the organization. Marketing as SD

logic explains is not about just the four As of promotion, packaging, pricing and placement but it is a guiding process for all the operations of the organizations' management.

Studies show that successful organizations and managements are strongly customer oriented (Fargo & Lush, 2004). Lush & Webster (2011) suggests that there are high rewards for the organizations to understand and realize the customer value and these rewards are translated through the increase in value of management as not only defines operand resources, operant resources, service, importance of customer orientation but also lays foundation for the organizations to create strategic decisions that can lead to their success.

Strategic selection of customers is very important in this perspective.

Companies should be aware of what type of services they can provide and then select their target customers accordingly so that they can emphasize and focus all their efforts to create consumer satisfaction. As Lush & Webster (2011) explain that strategy formulation is basically a process of identifying and matching the capabilities and resources of the organization to the requirements and expectations of the targeted consumer.

SD logic makes it easy since it clearly identifies the operand and operant resources. I. E. The tangible and intangible resources of the organization and consumer needs and wants can be understood through understanding how the value of the consumer can be increased. Since value identification and consumer requirements are dynamic and keep on changing therefore it is necessary to create a relationship with the customers so that management is



fully aware of the changing needs of the consumer and create their plans accordingly.

Therefore SD logic marketing concept is a complete marketing solution for today's world's fast paced changing managements ND economies Conclusion Over the last few decades the concept of marketing has evolved tremendously. Initially every thing revolved around the exchange of goods which provided economic benefits to entities. Tangible goods and tangible resources were given immense importance. Services were Just considered as industries that did not fall under the definition of manufactured or produced goods.

Soon managers and companies realized that services had their own importance. As the needs of the customers changed services became more versatile and more important. It as realized that revise are to be given equal importance as goods and a services marketing literature came into the picture. The services marketing concept differentiate goods from services and explain them as a different entity of economics however there exists a relationship between goods and services in the continuously growing economic world of today.

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directly and indirectly related to the good and the marketing of goods as well is also dependent on the services.

For example today companies spend millions in after sale services like maintenance warranties and resale solutions to provide satisfaction to the consumers. Therefore the marketing concept has evolved from goods dominant logic to services dominant logic (Fargo & Lush, 2004) The above study showed that SD logic accept is a complete marketing concepts which provide logical and practical marketing management plan for the organizations. SD logic plan understands the correlation of goods and services and explain their inter dependence.