

# How marketing can reduce worldwide poverty article review example

[Business](#), [Company](#)



According to the dictionary definition, marketing is commonly understood as a set of activities related to buying and selling products or services. The main objective of marketing activities is believed to be the promotion to potential buyers. Although this is surely true in the majority of cases, professor Kasturi "Kash" Rangan and his research associate Arthur McCaffrey go beyond this narrow definition and suggest that marketers may do not have to limit their activities to merely selling products, but they can strive for a bigger goal of improving the existence of people on the planet. In this cases marketing activities should not be restricted to the promotion and sales, but can also incorporate a complex set of skills that could help to engage the " world's poor" in the decision-making process regarding social benefits and policies that target the underrepresented.

The core of the program suggested by Rangan and McCaffrey is the switch from the selling paradigm to the intervention paradigm. This change in the underlying logic of marketing activities makes this approach novel.

Essentially, the authors suggest their readers to think about social marketing programs as those affecting lives rather than consumer choices. The rationale behind this is the unique profile of social marketers' customers.

Traditionally, consumers voice their opinion through the purchasing decisions they make. Higher or lower demand could be a strong signal about the success of a certain campaign. The " most poor", on the other hand, usually don't have even basic necessities, therefore they have to rely on the decisions made by governments, NGOs and corporations that decide what the most beneficial strategy is. It is essentially the " push principle", which is becoming obsolete in regular marketing because of its limited customer

orientation, but it is still prevalent in social marketing as there is no incentives for companies to become more customer-focused.

The main benefit of the research presented by Rangan and McCaffrey is its market orientation and possible business applicability. Despite the fact that these social marketing campaigns remain “not-for-profit”, the knowledge of customer preferences obtained in the process could be valuable for the companies in several ways. Firstly, closer attention to consumer demands will help to target programs to the actual rather than perceived needs of the population. People will be able to communicate what they need to improve their living standards. Such approach will lead to more efficient resource allocation and more effective design of development programs. The second benefit that the companies can derive from such marketing is customer knowledge. The dynamism of the contemporary market development indicates a shift towards emerging economies and countries that used to be among the poorest. Consequently, populations of these countries become the target segment for many companies that see no growth prospects in the mature markets of the developed world. Therefore, gradual accumulation of the knowledge pool about some of the poorest areas could become valuable in the long-run as companies decide to expand their operations into new regions.

One of the key limitation of the theory by Rangan and McCaffrey is the ambiguity in the definition of the marketers' role and profiles. According to the authors, marketers, who decide to undertake the intervention principle, would have to perform the same tasks as social workers, NGOs and similar organizations. This lack of clarity would require significant coordination

efforts in order to make sure that resources are efficiently allocated. Moreover, the variety of techniques and tasks that marketers would need to undertake may be too broad and require a more cross-functional approach. The research by Rangan and McCaffrey offers a unique perspective on the way social marketing functions. It suggests that in order to make social marketing more effective, it is important to consider the input of all stakeholders, even those that are not able to voice their opinion or to influence decision-making. Although the intervention paradigm and the shift from the exchange principle are often received with a large degree of scepticism, the possibility to enhance success of the poverty alleviation problems and to increase commitment to social marketing surely seem attractive in case their effectiveness is demonstrated empirically in subsequent research.