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The dynamic effect on the Marketing Concept. Abstract The marketing concept is an overarching concept that links the philosophies, practices and theories of marketing. It closely examines an organizations ability to analyses the needs of the customer and make informed decisions based on these needs. These decisions are based on evidence and work towards matching the organizations capabilities and the customer needs, ultimately, to satisfy both the organization and the customer.

Introduction The evolution on marketing dates back to the Neolithic revolution approximately 2, 000 years ago. A classic definition of marketing is “ The human activity directed at satisfying needs and wants through the exchange process”. (Kettle, Fitzroy & Shaw, 1980, p. 14). This definition describes the simplistic notion of marketing. Over this period of time marketing has evolved through society, technology and adaptive change.

The contemporary definition of marketing can be described as “ An iterative process where an organization works with and adapts to the market and then through the process of communicating, creating, distributing, promoting, and pricing reduces endeavourers to facilitate profitable exchange relationships with customers, channel partners, and society. ” (Fanning, 2014, Pl 1). Both definitions highlight key components of satisfaction, exchange processes and needs and wants in relation to customers.

Furthermore, working towards the key marketing objectives of “ increase sales, reduce costs as a percentage of sales and build the value of the business. ” (Fanning, 2014 , p. 8). Which will in turn aim to “ attract customers, retain customers and enhance customer relationships. ” (Fanning, 2014 , p. 8). Organizations hat are able to successfully achieve this are practicing the marketing concept hence would be applying aspects of the marketing mega concept, the circle of satisfaction.

The circle of satisfaction links the buyer decision process and the total product concept to create the three mega – marketing concepts. This essay will further explore the specific sub concepts of the circle of satisfaction – service qualities, satisfaction, loyal behavior and profitability and how they specifically relate to the marketing concept, highlighted through working examples. Quality Quality is a sub concept of the circle of satisfaction and is very broad however relates closely to other sub concepts of satisfaction and profitability.

Quality or service quality examines the needs of the customer and makes sure that expectation from the customer and performance from the organization match. Hence a customer has expectations from an exchange and it is making sure these expectations are achieved on behalf of the organization. An organization that is successful in achieving this would be practicing the marketing concept, as the organization is aware of the customer needs; they are engaging in profitable exchange relationships and working towards achieving satisfaction on behalf of both the customer and organization.

A specific marketing tool that further helps analyses quality and examines closely quality gaps within an organization on behalf of management is the 5 gap model established by Pursuant, Estimate and Berry (1985). This model focuses on different kinds of gaps that could be prevalent in an organization and the importance of minimizing these gaps so that quality is always at its prime. Hence a customer old potentially compare what they experienced with what the expected and if they do not match then a gap arises.

These gaps and overall example are included below. Diagram 1: The 5-gap theory From an organizations point of view maintaining high quality and limiting the gaps highlighted in the above framework works towards practicing the marketing concept. A successful marketer within an organization could potentially achieve this through a range of approaches to maintain quality, satisfaction and value.

These include strategies such as research to investigate demands for products within their chosen arrests, surveys, customer panels, interviews and effective complaints communication. Satisfaction Satisfaction is a key sub concept within the circle of satisfaction as it relates closely to many other areas and is the core principle of marketing. Satisfaction in relation to the circle of satisfaction and more importantly the marketing concept can be viewed from two levels, transactional satisfaction and cumulative satisfaction.

Transactional satisfaction relates to the interaction between the customer and the organization and is can be often the only form or satisfaction that some marketers refer to, however emulative satisfaction is a more in depth concept of satisfaction as it leads on from transactional satisfaction. Cumulative satisfaction is an evaluation of satisfaction on behalf of the customer over a longer period of time. It examines the customer’s subjective needs consistently over time which results in outcomes relating to loyalty and trust.

This can be further highlighted through the below diagram extracted from slideshows (Fanning, 2014, p. 33). A Journal article which researches service equity, satisfaction and loyalty by Johnson and Olsen (2003). S an informative article through the use of different research models and study which culminates in an understanding that cumulative evaluations are an important measure of customer loyalty. Hence management that closely examines cumulative satisfaction has a better understanding of improvement for the customer and their organization.

Cumulative satisfaction is an important sub concept which works towards practicing the overall marketing concept. Customers always expect to be satisfied from any business encounter and partake in profitable exchange relationships hence marketers or organizations are able to attract, retain and enhance their relationship with their customers through understanding cumulative satisfaction and through serving satisfied customers ultimately sales revenue will increase through consistent loyalty and overall enhance the value within the organization or business.

Examples of this practice within organizations can vary. Cumulative satisfaction does not necessarily need to be on a large scale, in small and medium size enterprises providing value for money, providing specific products and arrives, having efficient staff that can relate to the customer’s needs all enhance relationships between customer and the organization as demonstrated in this figure from the slideshows. (Fanning, 2014, p. 9).

This diagram can also describe many real life examples of where a customer and supplier both are satisfied with their exchanges and the organization introduces practices such as customer loyalty card programmed to enhance the relationships all based around cumulative satisfaction. Other examples of this include special bonus and discount information for satisfied and loyal customers. Ideally these practices demonstrate an understanding of commutative satisfaction which can result in organizational success and probability and lead to customer loyalty and trust.

Loyal Behavior Loyal Behavior is an internal quality that as explained above has a very close link with the other sub concepts of satisfaction and trust from the circle of satisfaction. Loyal Behavior is a contributing factor that can result in profitability. Loyal behavior moves on from customer satisfaction and can be the competitive difference or advantage between products and services offered from an organization. Loyal behavior is a result of consistently positive satisfaction and perceived value on behalf of the customer deliver by an organization.

A purposeful article Beyond customer satisfaction by Frederick’s & Salter further explains the importance of nurturing customer loyalty. The article discusses the idea of satisfaction not entirely being the only way to please a customer, loyalty and its effect on improving relationships within organizations. As stated “ Organizations that effectively manage customer loyalty will become competitive forces”. (Frederick’s & Salter, 1995, p. 4). It also states ” By focusing on levering superior customer value, an organization will move beyond customer satisfaction to customer loyalty’. Frederick’s & Salter, 1995, p. 4). An example of this process which results in this particular organization practicing the marketing concept is Apple. Loyal behavior is a common trait amongst a majority of their customers. They offer core quality products and provide a service that caters for all customers and their geographical locations. For example they provide individual help in many forms regardless of where you are located matched with technical support (tech bar) hat has many layers to compensate for a range of technical problems.

This example highlights how the company has created customer loyalty through their competitive difference which in turn links to increased profits and repeat business. Hence organizations that work towards retaining, maintaining and enhancing loyalty would be practicing the marketing concept. Loyalty results in building strength within an origination which is a key marketing objective. Profitability In marketing terms profitability relates to the customer, organization, associated ratters and the wider society. Hence its value is significant and purposeful when referring to the marketing concept.

Profitability within the circle of satisfaction is a direct result from the previous sub concepts listed of loyal behavior, satisfaction and quality as profit and growth are linked to customer loyalty which is a result of satisfaction which is a direct link to value. The attached diagram of the circle of satisfaction demonstrates this relationship. (Fanning, 2014, p. 11). The article Putting the Service-profit Chain to Work by Highest, Jones, Loveland, Gasser Schlesinger (1994) also reinforces the importance and link between the sub concepts listed from the circle of satisfaction and the end result of improved growth and profitability.

The attached diagram demonstrates this and corresponds effectively with the above diagram of the circle of satisfaction. The article is able to demonstrate in depth about the relationship between “ profitability, customer loyalty and employee satisfaction, loyalty and and highlights the effectiveness of an organization demonstrating this would essentially be practicing the marketing concept. Therefore achieving profitability and further maximizing profitability is a key marketing objective and the sub concepts within the circle of satisfaction link to the companies overall ability to increase revenue.

Hence from a marketer’s point of view long term company survival is reliant on increased profits and customer value. A working example of a company which achieves this consistently is Westerners. The profitability within this company is due to their understanding of their customers, identifying these needs and creating customer focuses whilst aiming to be better than like companies. This has in turn resulted in satisfaction, trust, loyal behavior which results in profitability.

Conclusion As described above the marketing concept can be practiced within organizations that apply the circle of satisfaction. Through the research and diagrams provided above it is evident that the marketing concept applies to all organizations hence all customers and from this underlines the result of equivalent satisfaction for both the organization and customer, the ultimate objective of the marketing concept. Furthermore the circle of satisfaction is a mega marketing concept that provides the ink between the three mega marketing concepts.