

# Discussion about marketing concepts and their applications in sri lanka assignmen...

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## Discussion about Marketing Concepts and their Applications In Sri Lanka

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Marketing Environment9 List of References11 1. Marketing Philosophy Every business organization in the modern world must be associated with Marketing. Its primary objective is to earn profit after fulfilling customer needs, wants or desires. Marketing will be used to find what customer needs or wants and organize to satisfy them after supplying their requirements.

The Chartered Institute of Marketing in the UK defines marketing as follows:

“ Marketing is the management process which identifies, anticipates, and supplies customer requirements efficiently and profitably”. We can imagine how marketing is important as the organizations make the marketing as its business philosophy. Typically every organization has some philosophy which will direct all its decisions, strategies, activities etc. The philosophy might be stated formally, as in a mission statement, or it might become established informally through the communications and actions of top management.

We can identify three main philosophies. Those are production, selling and marketing philosophy. Even though we discuss Marketing Philosophy, it is very easy to understand it by knowing other two philosophies. Production Philosophy (Production Orientation) Product oriented companies mainly focus on producing best sophisticated product or service by using high end latest technology which can compete with competitors. Marketing is its secondary priority. They believe that the customer will be attracted to the best products. Apple which produces iPhone, iPad, iMac is a great example for product orientation.

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Within Sri Lankan context, at one stage Maliban was a good example since they were more focusing on its mass production of limited varieties of biscuits without focusing on marketing. Selling Philosophy (Selling Orientation) It assumes that any product or service can be sold if we put enough effort to sell it. Marketing's job is to sell whatever the organization decides to produce. Although selling is one component of marketing, organizations driven by a selling philosophy emphasize selling efforts to the exclusion of other marketing activities. In one hand, Amazon. om is driven by selling philosophy as it has any type of products from several merchants to sell through its online portal. In Sri Lankan context, most of the super markets like Cargills Food City (Cargills Retail Pvt Ltd) are practicing selling philosophy. Even though it named as food city it has multiple consumer goods and even the facilities to pay customers utility bills. Marketing Philosophy (Marketing Orientation) This primarily follows the definition of Marketing. Marketing Philosophy is to identify, anticipate and fulfill customer's needs and wants by organizing the company in all angles.

This focus applies to people in the marketing function as well as to those in production, personnel, accounting, finance, and other functions. Production and selling are still important, but the organization is driven by satisfying customer needs. Marketing philosophy involves sophisticated market researches to identify customer needs in advance. It should have a very good relationship with customers. While keeping the customers happy, the company should strategically focus on its growth towards higher profitability. Following is a very good global example of company which follows marketing philosophy.

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Applied Materials, Inc which is a capital equipment producer serving the semiconductor, TFT LCD display, Glass, WEB and solar (crystalline and thin film) manufacturing industries reinforces the importance of a marketing philosophy every payday. ' Your payroll dollars are provided by Applied Materials customers' appears on the front of every employee's paycheck. In Sri Lankan context, I have been admired by the Singer's marketing orientation. Singer is the leading retailer of home appliance market in Sri Lanka. Its mission is to improve quality of life by providing comforts and conveniences at fair prices.

So the mission statement itself describes the Singer's marketing orientation. At once singer identified that all levels of customers can't buy its products by paying full amount of the price in cash. Also they identified that the customer wants easy payment schemes like installments with low or no interests. So Singer is the first home appliance retailer who introduces the Easy Payment Plan (EPP) which enables the customers to take what they need for their homes after small down payment. This shows how Singer as a company organizes itself to implement marketing philosophy. . Customer Value and Satisfaction Customers are the key to every business organization. There won't be any organization exists without customers. Customer is always trying to get more than the cost he pays for product or service and get maximum satisfaction by consuming them. So every organization should have a way to identify whether their customers get best out of the product or service compared to the cost that the customer pay to obtain it. Also they should identify whether the customer has fulfilled his requirements by consuming their goods or services.

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If an organization identify them and make their strategies to maximize them, then we can say that those organizations are more towards customer value and their satisfaction. Customer Value is the difference between the value which customer gets from owning and consuming the product or service and cost he has to pay when obtaining them. Technically we can model it to following formula.  $Customer\ Value = Customer\ Benefits - Customer\ Costs$  FedEx is a global example who always try to maximize the customer value. FedEx customers gain a number of benefits. The most obvious is fast and reliable package delivery.

However, when using FedEx, customers also may receive some status and image values. Using FedEx usually makes both the package sender and the receiver feel more important. Customers in United States always compare the value of using FedEx rather than choosing other shippers like UPS, USPS(U. S. Postal Service) etc. In Sri Lankan context, we as customers, value greatly the online banking service which is being providing by Sampath Bank. Sampath Bank charges an annual fee for using its online banking services like Sampathnet or Sampath Vishwa. But the customer value is positive(According to above formula).

It provides lots of facilities like online utility bill payments, third party account money transfers, account creation, paying echanneling charges etc. Customer can sit in front of a computer and obtain those services. Customers gets following extra benefits like they don't have to pay for transportation, they don't need to stay in long queues, they have to spend only few minutes etc. Customer Satisfaction It depends on the perceived performance of the

product or the service in delivering value relative to a customer's expectations. If the product's performance is less than the customer's expectations, the customer is dissatisfied.

If performance matches or higher than the expectations, the customer is satisfied. If performance exceeds expectations, the customer is delighted. Outstanding marketing companies go out of their way to keep their customers satisfied. Satisfied customers make repeat purchases, and they tell others about their good experiences with the product. The key is to match customer expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise. Singer's after sales service, Sampath Bank's online banking facilities etc delights the Sri Lankan customers.

As a user of Sampath Bank's online banking, it exceeds my expectations. 3. Marketing Myopia Within a dynamic world, marketing can't be stay without changing in order to move forward with rest of the world. Following figure shows how contemporary marketing components organized with marketing environment. Marketing environment consists with Economic forces, Political forces, Legal and regulation forces, Technological forces, Scio-cultural forces and Competitive forces which we will discuss in detail under section 5. This environment is not static. It is so dynamic. Sometimes we can't even imagine how it is being changing.

Marketer should have a sense of how the marketing environment is being changing and direct the organization to cope up with them in order to survive. If the organization operates in the myopic way, it can't be survived.

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Theodore C. Levitt discovered the organizations myopic way of operations in the article “ Marketing Myopia” published in Harvard Business Review in 1960. According to him the marketing myopia means the narrow definition of business without considering broader exploration of outside world interms of customer behavior, competitor behavior, technological innovations etc.

With Marketing myopia, business organizations are sticked to shortsighted policies and practices which they believe it is the silver bullet for every marketing aspects. There are lots of examples that the production orientation leads for marketing myopia. As I explained production orientation in the section 1, the production oriented companies think that their product is forever and also what ever they produce will attract the customer. That is a myopic believe. Sometime production oriented companies like Apple used new technologies which will attract the customers.

In the Sri Lankan context, Maliban is a prime example which has been suffered from Marketing Myopia. At once they are the market leader in biscuits manufacturing with 70% of market share. It has reduced to 15%. Because they didn't primarily focus on the competition from Manchee Biscuits who has innovative products and very good marketing philosophy. Also Maliban only focused on its production but not for marketing. So they couldn't keep the customers who came to their door step. Also in the fashion industry of Sri Lanka, Lak salusala is a prime example of marketing myopic victim.

Its mission was to delight customers by providing quality innovative clothing and related products through an island-wide network at affordable prices

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whilst ensuring satisfactory returns to our stakeholders. But it was not innovative enough to meet the modern customer's fashion needs and wants. Lak Salusala tried behave in its traditional way with narrow sight of marketing environments. If we take ODEL to compare with Lak salusala, we can identify how innovative it is to cope up with dynamic marketing environment. ODEL focus on limited levels of customers. But they has a good idea of their customers behavior with their needs and wants.

So they provide many varieties of fashionable but very high quality clothes for parties, formal fuctions, weddings, office wear etc. Also they allow customers to meet their choices in comfortable way. So customers like to come to ODEL as nowadays customers like free and comfortable shopping. That is how ODEL comes out of marketing myopia. 4. Postmodern Marketing Postmodernism is a concept beyond modernism. In the modernism, we concider about our sociocultural values, norms, traditions, culture etc. Also there is a reason behind every activity. But postmodernism doesn't care of any of these.

Following are some of the postmodernsim characteristics compared to modernism characteristics. Modernism| Postmodernism| Single grand truth| No single truth| Objective reality| Subjectivity| Universality of knowledge| Contextuality of knowledge| Utopia or enlightenment| Self enlightenment| Collectivity| Individuality| Technological and aesthetic innovations| Information and vertuality| Reality| Simulation| Mass Production| Customization| In postmodern marketing, we need to throw away the modern marketing theories and concepts. Theories and concepts are



developed by believing that there is single grand truth which even applies to a segment.

But in postmodern marketing, we can't accept a single truth. So the concept of segmentation goes away. As we see in above characteristics, postmodernism is more towards individualism and customizations for individuals needs and wants. So there should be lots of fragmentations instead of segmentations. Everybody thinks that they are right, what they want is right and they somehow try to obtain it without thinking about their environment, culture, values, norms etc. So it's a conflict in a growing number of disciplinary fields. So we can't expect any discipline in postmodern marketing activities like selling, promotions, advertisement etc.

Postmodernism is rapidly growing in American and European countries. But Sri Lanka is a country which still thinks about modernism due to its religious and cultural values. But there are some postmodern signs but very few in marketing. Home shopping networks are due to postmodernism. We can find very few of them mostly within capital city. 5. Marketing Environment Companies marketing environment has 2 main perspectives. \* Macro environment \* Micro environment. The macro environment includes all factors that can influence an organization but they are out of the organizations direct control.

The successfulness of the organization depends on the ability of the marketing system management related to its macro environment. It creates opportunities as well as the threats towards the company. Political, economic, socio-cultural, technological, legal and regulatory, and natural

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forces are the major six macro marketing environmental forces that the organization has to mainly deal with. Political Environment The political environment includes all laws, government agencies and lobbying groups that influence or restrict individuals or organizations.

Political, legal and regulatory forces are very much interrelated. In Sri Lankan context, the tobacco industry has been discouraged by some laws like avoiding advertising etc. CTC ??? Ceylon Tobacco Company has been impacted by such political environment. Sri Lankan government introduced new policies to avoid people addicting for smoking, drinking, drugs etc. As part of it advertizing such products has been banned. Also government has favorable policies for agricultural products and milk industry. So the companies like CIC, Milco got very good political help in order to improve their business. Economic Environment

The economic environment consists of all factors-such as salary levels, credit trends and pricing patterns that affect consumer spending habits and purchasing power. In Sri Lanka, the majority customers are in middle level with their income or financial ability. So they don't normally tend to spend more money. That has been identified by super markets like Cargills and Keels. They always advertize the lowest prices of goods are with them.

Socio-cultural Environment The socio-cultural environment includes institutions and other forces that affect the basic values, behaviors, and preferences of the society-all of hich have an effect on consumer marketing decisions. This is very much matters for country like Sri Lanka since it's a country with lots of demographic characteristics and its diversity. We can

see Halal restaurants like Chinatown and vegetarian restaurants like Mango tree which are due to socio cultural environment. Technological environment  
The technological environment consists of those forces that affect the technology with which can create new products, new markets and new marketing opportunities.

In Sri Lanka, technological environment impacts a lot in telecommunication industry. All most all the operators like SLT, Dialog, Mobitel, Airtel, Etisalat etc are trying to market that they are the one who introduce latest technology. High Speed internet with HSDPA technology is one of the prime examples. Legal and Regulatory Environment The legal environment also affects an organization ??? even though a company cannot directly influence any laws ??? lobbying or becoming part of a trade organization is widely accepted in helping to ' shape' particular legal decisions.

Natural Environment This includes the natural resources that a company uses as inputs and affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention. As raw materials become increasingly scarcer, the ability to create a company's product gets much harder. Also, pollution can go as far as negatively affecting a company's reputation if they are known for damaging the environment.

Micro environmental forces are close to the company that affects its ability to serve the customers well and they are influenced by the organization directly. The companies' internal environment, suppliers, marketing intermediaries, competitors and customers are the main components in this

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environment. Company should have through interdepartmental relationships and clear idea about the machine capacity, labor hours, materials and the production they have to produce. Other than that the suppliers developments and their market price trend affects directly.

Company may require strong network of wholesalers, distributors and retailers. So the best relationships between these parties also make company micro environment strong. List of References 1. William, M. Pride, & Ferrell, O. C. (2010). Marketing Planning, Implementation, and Control. United States: South-Western. A part of Cengage Learning. 2. Levitt, T. (1960), Marketing Myopia. Harvard Business Review, 45-56. 3. Kotler, P. , & Keller, K. L. (2009). Marketing Management. New Delhi: PHI Learning Private Limited. 4. Brown, S. (1993), Postmodern Marketing?. European Journal of Marketing, 27(4), 19-34.