

Lecture_11

Marketing Philosophies

The marketing concept is the strategy that firms implement to satisfy customers needs, increase sales, maximize profit and beat the competition. There are 5 marketing concepts that organizations adopt and execute.

Marketing is a department of management that tries to design strategies that will build profitable relationships with target consumers.

But what philosophy is the best for a company in setting marketing strategies?

There are five alternative concepts under which organizations design and carry out their marketing strategies.

5 Marketing Concepts are;

1. Production Concept,
2. Product Concept,
3. Selling Concept,
4. Marketing Concept,
5. Societal Marketing Concept.



These concepts are described below;

Production Concept

The idea of production concept – “Consumers will favor products that are available and highly affordable”. This concept is one of the oldest Marketing management orientations that guide sellers.

Companies adopting this orientation run a major risk of focusing too narrowly on their own operations and losing sight of the real objective.

Most times; the **production concept can lead to marketing myopia**. Management focuses on improving production and distribution efficiency.

Although;in some situations; the production concept is still a useful philosophy.

Product Concept

The product concept holds that the consumers will favor products that offer the most in quality, performance and innovative features.

Here; under this concept,

Marketing strategies are focused on making continuous product improvements.

Product quality and improvement are important parts of marketing strategies, sometimes the only part. Targeting only on the company's products could also lead to marketing myopia.

For example;

Suppose a company makes the best quality Floppy disk. But a customer does really need a floppy disk?

She or he needs something that can be used to store the data. It can be achieved by a USB Flash drive, SD memory cards, portable hard disks, and etc.

So that company should not look to make the best floppy disk. They should focus to meet the customer's data storage needs.

Selling Concept

The selling concept holds the idea- "consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort".

Here the management focuses on creating sales transactions rather than on building long-term, profitable customer relationships.

In other words;

The aim is to sell what the company makes rather than making what the market wants. Such aggressive selling program carries very high risks.

In selling concept the marketer assumes that customers will be coaxed into buying the product will like it, if they don't like it, they will possibly forget their disappointment and buy it again later. This is usually very poor and costly assumption.

Typically the selling concept is practiced with unsought goods. Unsought goods are that buyers do not normally think of buying, such as insurance or blood donations.

These industries must be good at tracking down prospects and selling them on a product's benefits.

Marketing Concept

The marketing concept holds- **“achieving organizational goals depends on knowing the needs and wants** of target markets and delivering the desired satisfactions better than competitors do”.

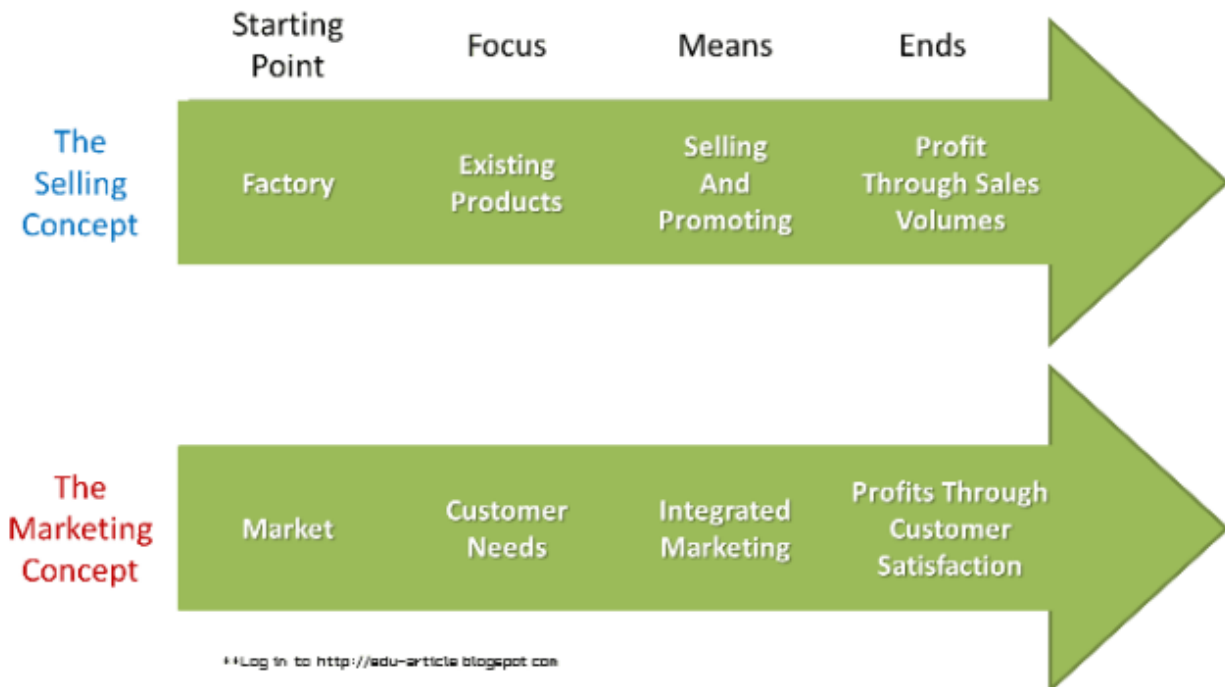
Here marketing management takes a “customer first” approach.

Under the marketing concept, customer focus and value are the routes to achieve sales and profits.

The marketing concept is a customer-centered “sense and responds” philosophy. The job is not to find the right customers for your product but to find the right products for your customers.

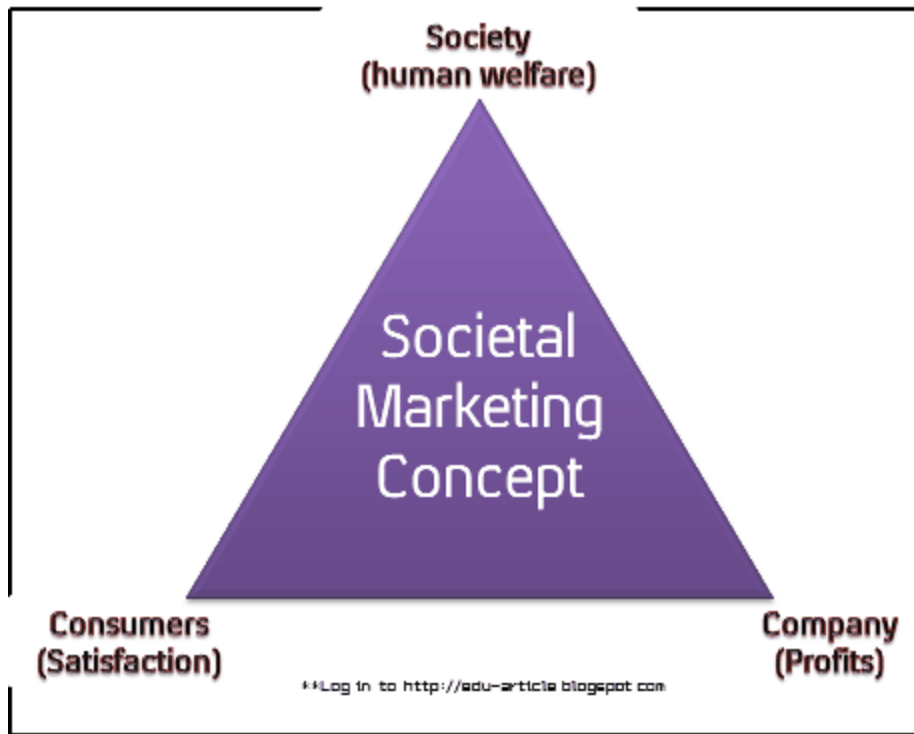
The marketing concept and the selling concepts are two extreme concepts and totally different from each other.

Difference between Selling Concept and Marketing Concept



No.	The Selling Concept	The Marketing Concept
1	undertakes a large-scale selling and promotion effort	undertakes activities such as; market research,
2	The Selling Concept is suitable with unsought goods—those that buyers do not normally think of buying, such as insurance or blood donations.	The Marketing Concept is suitable for almost any type of product and market.
3	Focus of the selling concept starts at the production level.	Focus of the marketing concept starts at understanding the market.
4	Any company following selling concept undertakes a high-risk	Companies that are following the marketing concept requires to bare less risk and uncertainty.
5	The Selling Concept assumes – “customers who are coaxed into buying the product will like it. Or, if they don’t like it, they will possibly forget their disappointment and buy it again later.”	Instead of making an assumption, The marketing concept finds out what really the consumer requires and acts accordingly to them.
6	The Selling Concept makes poor assumptions.	Marketing concept works on facts gathered by its “market and customer first” approach.

Societal Marketing Concept



Societal marketing concept questions whether the pure marketing concept overlooks possible conflicts between consumer short-run wants and consumer long-run welfare.

The societal marketing concept holds "marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well-being".

It calls for sustainable marketing, socially and environmentally responsible marketing that meets the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs.

The Societal Marketing Concept puts Human welfare on top before profits and satisfying the wants.

The global warming panic button is pushed and a revelation is required in the way we use our resources. So companies are slowly either fully or partially trying to implement the societal marketing concept.