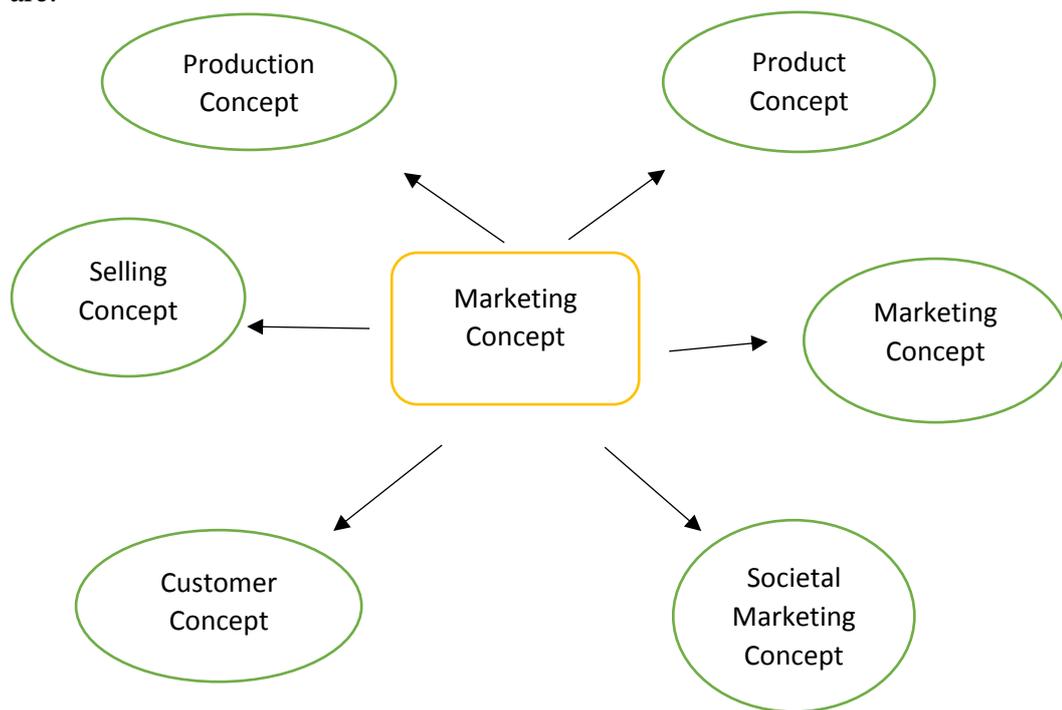


Topic –Marketing Concept.

The Marketing function or activities are conducted by various companies based on six alternative concepts or orientations. They are:



- 1.The Production Concept
- 2.The Product Concept
3. The Selling Concept
- 4 The Marketing Concept
5. The Customer Concept
6. The Societal Marketing Concept

1. The Production Concept-

The production concept believes that consumers will favour products that are readily available at reasonable prices. Improvement in production and distribution efficiency will be the focus for managements under this concept. When the demand for a product exceeds the supply, manufacturers have to increase production. When the products cost is too high, the management has to bring it down to affordable levels, In the example of Ford car model T. Henry Ford believed that if cost is reduced, more people would buy it. Ford did not have any concern about customers' preferences and joked that the customer can have any colour for the car, provided it was black. The production concept, though useful in some situations, could result in 'marketing myopia', according to Theodore Levitt. Companies following this concept focus too narrowly on their own activities and lose sight of the real objective of customer need satisfaction.

In India, for example, the Indian Telephone Industry (ITI) earlier had a monopoly, and was producing only black coloured telephone instruments. At present, due to competitors entering the market, we can have any colour for our instruments. Similarly, household electrical appliances like fridge, washing machine, geyser, microwave oven, etc., were available only in white colour (and were, therefore, called white goods). Now we have a choice of different colours.

2. The Product Concept-

The product concept believes that consumers will favour products that offer the most in quality, performance, and innovative features. Continuous improvements in product and quality are essential for companies that follow this concept. They believe that if they build a better mousetrap, the world will beat a path to their door. Actually, the consumers may be wanting a better solution to the mouse problem and not a better mousetrap. So, product concept may also lead to marketing myopia.

3. The Selling Concept

The selling concept believes that consumers will not buy enough of the company's products unless it undertakes pressure selling tactics and heavy promotion efforts. Buyers are believed to have a buying habit. This concept is especially used for unsought goods which buyers normally do not think of buying, like life insurance, cemetery plots, etc. When companies face excess production, they follow this concept to sell what they make, without caring for customer's needs or satisfaction.

4. The Marketing Concept

The marketing concept believes that achieving the company's objectives depends on understanding the needs and wants of target markets and delivering the desired satisfaction in a better way than what the competitors are doing. Focus on customer and value is considered the path to successful sales and company profits in this concept. The customer is considered THE KING and the company produces and markets what the customer wants.

5. The Customer Concept

Many companies are today moving beyond the marketing concept to the customer concept. These companies shape separate offers, services, and messages to individual customers, based on their individual preferences. They hope to achieve profitable growth through capturing a large share of each customer's expenditures by building high customer loyalty and focusing on customer lifetime value. One-to-one marketing has become possible through advances in factory customization, computers, the Internet and database marketing software. Examples: Barbie Dolls, Levi Strauss, gym, Dell Computers.

6. The Societal Marketing Concept

This concept believes that organizations should determine the needs, wants and interests of target markets should then deliver superior value to the customers in a way that maintains or improves the consumer's and the society well-being. The societal marketing concept calls on marketers to balance three considerations in setting their marketing policies: company profits, consumer wants, and society's interests or human welfare.