

Recent Trends and Development in the Field of Marketing

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Abstract: Marketing is the key ingredient of organisational success. Drastic changes in the global economic and business scenario and information Technology revolution made it necessary for firms to constantly reevaluate the way interact with their business environment. In marketing, these changes forced firms to develop and introduce innovative marketing concepts and practices. The use of internet, social networking sites and mobile phones help consumers to interact with each other in order to learn about a product or service. Consumer possess clear idea about the quality, price and other features of different brands available in the market. Companies cannot fool consumers through fake advertisements and promise. Quality, service and relationship are the three pillars of modern marketing. Companies compete each other for servicing the customers with maximum benefits and building strong relationship with them.

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I. Modern Marketing

The whole marketing scenario has changed in the modern world marketing. In the past, marketing relied only on selling efforts. But modern marketing is consumer oriented marketing, It starts and ends with consumers. The marketing has shifted its focus to consumer's needs as compared to the past, where a product was made for selling to maximum number of people without learning their needs. Marketing in the modern times is customer satisfaction and customer relation. Customer are considered as the backbone of marketing. The concept of modern marketing require marketers to analyses customer's needs and requirements. The goods and service are customised as per the needs of the customers.

1.1 Relationship Marketing(RM)

According to Peter F Drucker, the basic purpose of a business is "to create customers and retain them". In order to create and retain permanent customers, it is necessary to provide total customer satisfaction. In other words of Philip Kotler "Relationship marketing is the process of building long term trusting win-win relationship with customers, distributors, dealers and suppliers. It promises and deliver high quality economic, technical and social ties between members of the two organisation or between the markets and the individual customer".

Relationship marketing is an shift from transaction based marketing which focuses on increasing the number of transactions /sales. There is no on-going relationship in transaction marketing. Relationship marketing is a strategy designed to cultivate customer loyalty, interaction and long term association with the company. It is primarily concerned about attracting, developing and retaining customer relationships. It intends to develop strong contract with the customers by providing them with best services and by promoting open communication.

Relationship marketing involve the following steps:

1. Identify the key customers who will significantly influence the firm's.
2. Assigning a skilled relationship manager to each customer.
3. Preparing detailed job description for the relationship managers.
4. Developing annual and long range customer relationship plans and programmes.
5. Maintain continuous contacts with customers. Listening carefully and responding positively to their complains.
6. Appointing an overall manager to supervise, coordinate and review performance of relationship manager. According to Philip Kotler, Customer satisfaction is the key to customers retention. A highly satisfied customer:
 - ❖ Stays loyal longer.
 - ❖ Buys more as the company introduce new products and upgrade existing products.

- ❖ Talks favourably about the company and its products.
- ❖ Pays less attention to competing brands and advertising and is less sensitive to price.
- ❖ Offer products/service ideas to the company.
- ❖ Costs less serve than new customers because transactions are routinizing.

Relationship marketing has become important due to the following reasons:

- Service sector is growing rapidly and in service marketing customer relationship is more important.
- Retaining existing customer has become difficult due to increasing competition.
- It is more costly to create new customers than to retain existing customers.
- Quality of customer service has become a means of achieving competitive advantage.
- Close and long term relationship with customers help to reduce marketing costs.
- Strong customer relationship help to generate new product ideas.
- Good relationship with customers lead to good publicity and help to improve corporate image.
- Customers are less loyal now than in the past.

1.2.Social Marketing

According to Philip Kotler, social marketing is “The design , implementation and control of programmes seeking to increase the acceptability of a social idea,cause, or practice among a target group.

Social marketing may be considered non-profit marketing, various types of social marketing may be classified as follows:

1. **Organisational** :- Universities,Government and non-government organisations,cooperative bodies are some examples of organisations engaged in social marketing Government organisations may work at Central,state and local(municipal bodies and panchayath)levels. The Central Government markets defence,civil and postal services.Universities, colleges and government schools market educational services. Non – government organisations like Indian Cancer Society,CRY,Sulabh,FICCI,etc..market ideas and charitable causes.
2. **People Based** :-Individuals such as political candidates seek votes,volunteers seek donations etc..
3. **Place Based** :- Convention centre, Industrial sites.
4. **Idea based** :-Family planning, AIDS control, no smoking, and other ideas are marketed.
5. **Service Based** :- Education, child –care, community service and library services are some examples of service based marketing.

The success of marketing cannot not be measured in financial terms. Number of clients served, quality of service benefits provided are some criteria that can be used to judge efficiency of social marketing.

1.3.Direct Marketing

According to the Marketing Association “*Direct marketing is an interactive marketing system that uses one or more advertising media to effect a measurable response and/or transaction at any location*”. In other words, direct marketing involves use of mail, telephone, fax, e-mail and other non-personal methods to communicate directly with and solicit a direct response from specific prospects and customers .

1.3.1 .Tools used for direct marketing

- **Face - to -face marketing**:- Also known as direct selling and door-to-door selling. It is the oldest form of direct marketing. Most companies selling industrial products rely mainly on a professional sales force to locate prospects, develop them into customers and make sale.
- **Direct mail marketing** :- This form of direct marketing involves sending an offer, reminder or other item to a person at a specific address. First of all,a mailing list is prepaid with the help of telephone directory, trade directory and other sources of data about the customers.Then letters, flyers,folders,audiotapes ,videotapes or computer diskettes are designed, These contain description and sketches of the product to be sold . These are sent through mail, fax, e-mail, voice mail, etc
- **Catalogue marketing** :- Catalogue is a multipage booklet issued by the company to its customers. Under this form of direct marketing , a company mails one or more product catalogues to selected persons who have a high likelihood of placing an order.Catalogue marketing offers convenience and saving in time and expenses.
- **Telemarketing** :- Telemarketing is the performance of marketing related activities by telephone.In recent years, telemarketing has become a major tool of direct marketing. Some telemarketing systems are fully automated. Telemarketing can generate sales leads, improve customer service, speed up overdue payments and gather marketing data.

- **Automated vending machine:-** These are coin-operated machines which automatically vend(sell) merchandise without the aid of any sales assistants. A variety of products such as cold drinks, candy, newspapers, tea, coffee, milk, cigarettes, etc.. Products sold through vending machines have lower unit value and are more relatively expensive to sell through regular retail shop.



Picture No.1:Automated Vending Machine

- **Kiosk marketing :-**These are the customer –order-placing machines called kiosks in contrast to vending machines which dispenses actual products. These kiosks are placed in store, airports and other location .In case the desired product are not available in the shop ,the customer can dial an attached phone and type in his credit card number and where the product should be delivered.



Picture No .2 : Kiosk marketing

- **Television Home Shopping:-**In this form of direct marketing products are presented to television viewers who buy them by calling a toll free number and paying with credit cards. Clothing, housewares, electronics, jewellery are the products often sold through this method. Products can be easily demonstrated.
- **Online Marketing :-** Computer network are used in online marketing . Internet has created online retailing opportunities. Many retailers have set up “Homepages” on the internet to disseminate information about the product.

1.3.2 .ADVANTAGES OF DIRECT MARKETING

- 1) **Focused approach :-** The sales message can be targeted at a very specific individual Or group. It is a very useful promotional tool for niche products as it is possible to target only those who are only willing to respond.
- 2) **Cost Effective :-** Direct marketing involves no cost of store space and sales persons. However, cost per thousand persons reached may be high.
- 3) **Immediate Action :-** Lead time(idea generation to execution)in direct marketing is short. It is very flexible and has an immediate impact on customer response.
- 4) **Wide Reach :-** It is relatively easy to access international target market.
- 5) **Measurable :-** It is possible to link a particular sale to a specific marketing activity . Such information Is useful for developing message to which a particular group of customwet5 is more likely to respond .
- 6) **Tailor-made :-** The message can be specifically developed for particular groups.
- 7) **Alternative channel :-** Direct marketing offers an alternative channel of distribution. It is a mechanism for distribution as well as promotion.
- 8) **Opportunity to build a Database :-** Overtime, the details on customers can be used to build detailed picture of purchasing patterns.

1.4. Online Marketing

Online marketing may be defined as the process of building and maintaining customer relationship through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both the seller and the buyer. Online marketing is also known as internet marketing and web marketing.

According to Philip Kotler, "An online marketing channel is one that a person can reach via computer and modem. A modem connects the computer to a telephone line so that the computer user can reach various online information services. There are two types of online channels;

- A. **Commercial Online Channels** :- Some companies set up online information and marketing services that can be accessed by those who have signed up for the service and pay a monthly fee. These online channels offer information, entertainment, shopping, dialogue, and e-mail services.
- B. **The Internet** :- This is a global web of computer network that has made instant and decentralised communication possible. User can send e-mail, exchange views, shop for products and access news and business information.

1.4.1. Benefits Of Online Marketing

Online marketing offers following benefits: to **buyers** :

- i. **Convenience** :- Customer can order products 24 hours a day wherever they are. They do not have need to transportation.
- ii. **Information** :- Customer can find out immense information about companies, products, and competitors without leaving their home or office. They can judge prices, quality, performance and availability.
- iii. **Fewer Hassles** :- With online services, customers do not have to face salespeople or open themselves upto persuasion and emotional factors. Shopping can be done swiftly and privately.
- iv. Online market offers following benefits to **marketers** ;
- v. **Lower cost** :- Marketers need not maintain a store and incur costs of rent, insurance and utilities. They can produce digital catalogues for much less than the costs of printing and mailing paper catalogues.
- vi. **Flexibility** :- Companies can quickly add products to their list and change prices and descriptions.
- vii. **Sizing Audience** :- Marketers can know how many people visited their online site and how many stopped at particular places on the site. This information can help the marketers improve their offers and advertisements.
- viii. **Relationship Building** :- Online marketers can talk with consumers and learn much from them. They can also upload useful reports and a free demonstration of their software, or a free sample of their newsletters on to the system. Consumers can then download these items into their electronic mail boxes.
- ix. **Affordability** :- Both small and large firms can afford online marketing. There is no real limit on advertising space.
- x. **Speed** :- Information access and retrieval are quite fast, compared to mail and fax.

1.4.2. Online Marketing Channels

Marketers can conduct online shopping in four ways. They are following ;

1. **Creating an electronic Storefront** :- Several companies have set up a home page on the internet. These homepages serve as electronic storefront and offer a wide variety of information to users about the company and its products or services. Companies can attract more customers through e-mail, mailing list, newspaper ads and online ads. Companies must update their homepages to keep them fresh and exciting.
2. **Participating in forums, News groups and Bulletin Boards** :- A company can participate in various groups that are not organised specifically for commercial purpose. Forums are discussion groups located on commercial online services. It may operate a conference room for real-time chatting or a library.
3. **Placing Advertising Online** :- Firms can place ads on commercial online service in three ways. First, the major commercial online services offer an ad section for listing classified ads. Second, ads can be placed in certain newsgroups that are set up for commercial purpose. Finally, ads can be put on online billboards.
4. **Using E-mail** :- A company can encourage prospects and customer to send questions, suggestions and complaints through its e-mail address. It can be responded quickly via e-mail. The company may also obtain the names of prospects or customers and send information to their e-mail address.

1.5. Green Marketing

Green marketing means the development, pricing, promotional and distribution of products that do not harm the environment. Environmentalists evaluate products to determine their impact on environment and marketers' commitment to the environment. The aim of green marketing is to sustain the environment in the following ways;

- 1) **Eliminate the Concept of Waste** :- Waste and pollution arise usually from inefficiently. Therefore, make things without waste instead of handling the waste.
- 2) **Reinvest the concept of a Product** :- Products should be either consumables or durables. Consumables can be either eaten or placed in the ground so that they turn into soil without any harm to the environment. Durables could be made, used and returned to the manufacture within a closed loop system.
- 3) **Make Prices Reflect the Cost** :- Every product should reflect or at least approximate its actual cost-not only the direct cost of production, but also the cost of air, water and soil.
- 4) **Make Environmentalism Profitable** :- Consumers are beginning to recognise that competition in the market place should not be between companies harming the environment and those trying to save it. Green marketing is known as environment marketing and ecological marketing. It involves the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy depletion.

1.5.1 .Importance of Green Marketing

Green marketing is becoming increasingly important due to the following reasons :

1. **Opportunities** :- Business firms perceive green marketing to be an opportunity that can be used to achieve their objectives.
2. **Social Responsibility** :- Many firms are beginning to realise that as members of the wider community they must behave in an environmentally responsible fashion. Therefore, environmental issues are beginning to be integrated into the firm's cooperative culture.
3. **Government Pressure** :- Government agencies are creating more and more regulation to control hazardous wastes produced by industry. These regulations seek to protect consumers and the society from the negative impact of business activities on the environment. In some cases, Government try to induce firms and individuals to become more responsible towards the environment.
4. **Competitive Advantage** :- Firms marketing environment friendly products and services will have a competitive advantage over firms marketing non-environment friendly products and services.
5. **Cost Factor** :- Firms also use Green marketing for reducing cost. Disposing of harmful by-products such as polychlorinated biphenyl (PCB) contaminated oil is becoming increasingly costly and difficult. Therefore, firms that can reduce harmful wastes can gain substantial cost saving.

1.6 .Marketing Ethics

Marketing ethics may be defined as principles that define acceptable conduct in marketing. These principles or standards encourage marketers to conform to society's expectations. Marketing ethics goes beyond legal issues through the distinction between ethical and legal issues often gets blurred in decision-making. The legal system provides a formal venue for marketers to resolve ethical disputes as well as legal ones. Marketing ethics require that marketers practice the virtues of honesty, fairness and transparency.

1.6.1 .Need for Marketing Ethics

- a) **To Maintain Public Confidence** :- Unethical marketing practices on the part of a few business firms can erode public confidence in marketing. Companies can restore and increase the confidence of the public by setting and enforcing high ethical standards in marketing. It is in the very interest of business itself to be ethical because consumers are the mainstay of business.
- b) **To Avoid Government Regulation** :- Unethical marketing practices increase the probability of government control on business. Honest and fair dealings with consumers help business firms to avoid such control and thereby retain the freedom of operations.
- c) **To Regain Social Power** :- Marketers can regain and improve their power and influence over society by fulfilling their responsibility to consumers and other groups in society. They need to use their power in a manner that is acceptable to society.
- d) **To Boost Public Image** :- People form an opinion about a business enterprise on the basis of their experience. When marketers care for consumers, customers form a positive opinion. Ethical marketing behaviour can protect the image of the enterprise.
- e) **For Enlightened Self-interest** :- Many marketers engage in ethical behaviour due to enlightened self-interest or in the expectation that "ethics pays". They believe that if they do not act in the public interest, the public and customers will strike back in one way or the other. When marketing practices deviate from accepted standards, the exchange process can break down, resulting in customer dissatisfaction, and lack of trust. Consumers avoid marketers who are perceived to be unethical.

1.7 .Database Marketing

Database marketing is the process of building, maintaining and using customer database for the purpose of contracting and transacting. A customer database is an organised collection of comprehensive data about individual customers or prospects that is current , acceptable and actionable for marketing purpose such as lead generation , lead qualification, sale of a product/service and maintaining customer relationship. A well developed data base is an asset that can give a marketer a competitive advantage. The marketer can select a more precise target market than what is possible under mass marketing, segment marketing or niche marketing. Companies use databases to;

1. Identify prospects.
2. To decide which customer should be sent a particular offer.
3. To develop customer loyalty.
4. To deactivate customer purchase.

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