



*Journal of Advances and  
Scholarly Researches in  
Allied Education*

*Vol. IX, Issue No. XVIII,  
April-2015, ISSN 2230-7540*

**CONTEMPORARY ISSUES IN MARKETING**

AN  
INTERNATIONALLY  
INDEXED PEER  
REVIEWED &  
REFEREED JOURNAL

# Contemporary Issues in Marketing

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**Abstract – Marketing in the 21st century has been altered beyond recognition, becoming more mobile, social and connected. The result is that marketers, rather than being a relatively monolithic group of professionals, have metastasized into a hodgepodge of specialists including designers, mathematicians and technologists. That's creating altogether new problems we need to solve.**

**Integral components of marketing, customer and factors like socio-cultural, economic, demographic factors of marketing macro and microenvironment are inextricably interlinked and do interact, leading to continuous change in the needs and preferences of consumers, which in turn spurs marketers to innovate their products and services in response to ever changing market dynamics, thus making 'change' as the only continuous and permanent feature of marketing, like any other discipline.**

**Excellent Marketing is not an accident but a seamless effort of planning and execution of state – of-- the art strategies. It's a challenge for today's marketers to stay ahead and fulfill consumers constantly changing demands.**

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## 1. INTRODUCTION

In the 20th century, marketing was a relatively sleepy endeavor. You came up with a "big idea," sold it through the organization, shot some TV ads and put them on the air. It worked, for the most part and brands became valuable assets, just like physical capital and technology. Things started to change in the 80's and '90's. Cable TV created an explosion of channels and a massive fragmentation of audiences. Marketing was still about ideas, but became more numbers driven as issues like targeting efficiency and ROI rose to the fore.

For the past several decades, the business world is going through a period of rapid changes; technology shifting from mechanical world to digital world - the internet, computers, cell-phones and the social media - having profound impact on the behaviour of producers and consumers. On the other hand increasing population above sustainability level has forced businesses to device ways towards judicious utilization of scarce resources. Climatic changes like global warming and rising pollution are challenging countries to limit carbon dioxide into the atmosphere, but at the cost of imposing a higher burden on business. These and the other changes require a major rethinking of marketing as a discipline and practice, because **"It's not the strongest of the species that survives, nor the most intelligent, it's the one most responsive to change."**

## 2. A GENERAL VIEW OF MARKETING

### 2.1 Meaning :

AMA defined Marketing as "The activities and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large". Kotler and Armstrong have also defined marketing as the "process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return".

Earlier the scenario was "make and sell" and now the scenario is sense and respond. The main aim of Marketing is to know and understand the customer so well that the product or service fits him and sells itself.

### 2.2 Holistic Marketing Concept

The concept is based on the "development, design, and implementation of marketing programmes, processes and activities that recognize their breadth and interdependencies. This includes four different aspects

- **Internal Marketing** which refers to the clarity of Mission and Vision with the company and among its employees. This is also highlighted in the "Service Recovery Paradox". It states the importance of knowledge update from the lowest echelons to the C.E.O of a business.

- **Integrated Marketing** which focuses on the communication that different mediums provide to the consumer and articulates the Core Brand message seamlessly.
- **Performance Marketing** which is also known as “Socially Responsible Marketing,” states that all activities of a business should be carried out in the interests of the society at large i.e. pro bono public (public good).
- **Relationship Marketing** that reinforces the importance of Customer Satisfaction and the role of the customer in the overall growth of the business rather than mere expansion in market share/ volume or value.

### 3. CHANGING SCENARIO OF MARKETING : A PARADIGM SHIFT

A paradigm shift takes place when a significant change happens -usually from one fundamental view to a different view. Commonly paradigm shift or transformation, the way we humans perceive events, people, environment and life altogether, can have positive and negative effects. The end results include varying degrees of negative and positive transformations that allow people to open their hearts and minds to multicultural diversities, promotes liberty and freedom. Paradigm shift happens when there are anomalies, disparate, odd scientific results that cannot be explained away by inadequate method.

Findings from research papers published between 1995 and 2001 critically support the view that marketing is undergoing a basic shift from transactional approach to a relational approach which is today known as CRM (Customer Relationship management). The research papers published thereafter, predominantly from 2005 to 2012 argue the further shift towards value-driven marketing. Some major paradigm shifts are shown as follows

#### 3.1 Paradigm Shift from Transactional marketing to Relationship/ Interactive Marketing

The development of marketing as a field of study and practice is undergoing a re-conceptualization from transactional marketing to relationship marketing. The paradigm shift from transactions to relationships is associated with the return of direct marketing in business-to- business and business-to-consumer markets. Development of Relationship marketing points to a significant shift in the axioms of Marketing from competition and conflict to consensus, collaboration and cooperation among competitors inter say. This also established the need for mutual dependence rather than operating in silos. Change in focus from value exchanges to value creation relationships have led companies to develop a more integrative approach to marketing , one in which other firms are not always competitors and rivals but are considered partners in providing value to customer.

This has resulted in growth of many partnering relationships such as business alliances and cooperative marketing ventures as well as supplier collaborations.

#### 3.2 From Product Demonstrations to Product Experiences- Experiential marketing

There is a significant shift in approach of marketers when it comes to convince customers that their product will deliver best of the experiences through “Experiential Marketing”, which refers to actual customer experiences with the brand/product/service that drive sales and increase brand image and awareness. It’s the difference between telling people about features of a product or service and letting them actually experience the benefits for themselves. When done right, it’s the most powerful tool out there to win brand loyalty.

#### 3.3 Paradigm Shift from product-centric to customer centric marketing

There is a paradigm shift in marketing which indicates marketers approach changing from their focus on product attributes towards customer needs and demands based on their changing preferences. Good customers are an asset which when well managed and served, will return a handsome lifetime income stream for the company.

#### 3.4 Paradigm Shift from operating only in physical market-place to operating in Cyberspace/Virtual market-place

There are over 120 million internet users in India, which is approximately 10 percent of the total population. As per latest studies, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region, at a CAGR of over 57 percent from 2012-2016. While the initial impetus to the development of e-commerce in India has been provided by the travel portals, railways, and airlines; online services like banking, bill payment, hotel room booking, matrimonial sites, and job sites, among many others are now becoming popular. Whether it is deal sites like Snapdeal.com, tradeindia.com Online Retailers like Yebhi, Jabong, Myntra or book retailers like Flipkart.com, quickr.com, OLX.com, JustDial.com, practically every conceivable product/service segment has set up shop in the virtual world aiming to attract the ‘value for money’ customers

#### 3.5 Paradigm Shift from Mass Production to Mass Customization

With the advent of industrial revolution and interchangeable parts, manufacturing moved from craft era to mass production era. Today there is a new era emerging and it is called Mass Customization. Goal of mass customization is to provide enough variety so that the want of every consumer is met to his/her delight. As a result, large homogenous markets are

replaced by heterogeneous niches with fragmented demand. Information technology and automation play a key role in mass customization as they create the linkage between a customer's preferences and the ability of a manufacturing team to construct products based on those wide varieties of preferences. Today, offerings of various industries, no matter its nature, can be customized, along many dimensions of consumer preferences.

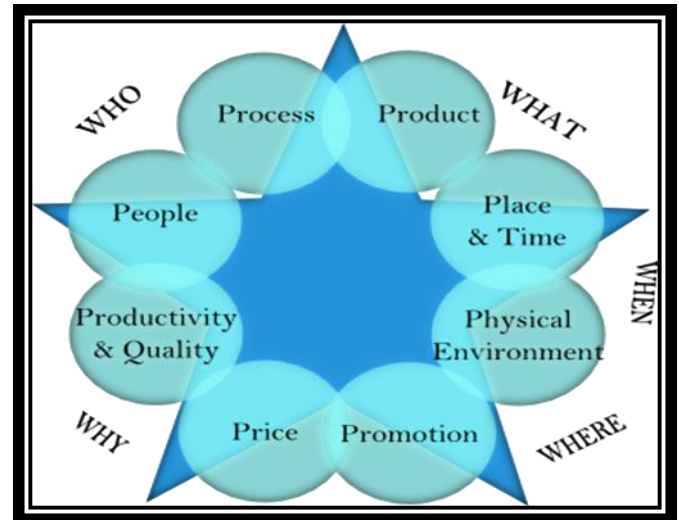
### 3.6 Paradigm Shift from targeting only urban markets to targeting rural markets also- Bottom of the pyramid marketing

Around the turn of the century nobel laureate in economics Amartya Sen, had proposed the concept of "empowerment," arguing that economic development is fundamentally "the expansion of individual freedom of choice" (Sen 1999). He inspired a shift toward empowering the poor as the key to a lasting end to poverty.

After decades of programs designed around development theories proposed by economists, sociologists and anthropologists, there is a new movement in the field—development approaches proposed by scholars in business schools. Two events acted as catalysts. One is the late C. K. Prahalad's influential book 'Fortune at the Bottom of the Pyramid (Prahalad 2005)'. The second one is the award of the 2006 Nobel Peace Prize to Muhammad Yunus. Business Week named Yunus (founder of the Grameen Bank and modern microfinance), among the greatest entrepreneurs of all time, joining Bill Gates, Steve Jobs, Henry Ford, Thomas Edison, John Rockefeller and the like. These high visibility influences have drawn the attention of large multinational corporations (MNCs) and venture capitalists to the problems and potential of the BOP (Bottom of the Pyramid)

### 3.7 Paradigm Shift from 4P's in Marketing to 8P's in Marketing

Manufacturing companies usually address four strategic elements Product, Price, Place and Promotion. In service industry, it is said that customers hire a service because they like the service and also connect with the service provider. The major challenge that today service providers are facing is positioning the right image in the customers' mind. In the service industry the production, distribution and consumption happen at the same point of time resulting in active customer participation.



## 4. CURRENT ISSUES / CHALLENGES OF MARKETING

**4.1 Technology adoption and automation :** There's a great deal of professional fear with technology. Some of this deals with nomenclature and the failure of tech and social media firms to make their products easily accessible to the common person. We also need information and education to get much more specific here, refine roles, better define which data sets matter, as well as how humans can best master these new evolving tools.

**4.2 Marketing Integration:** Generally most marketers agree that integration should occur in marketing, but it remains a huge issue. People still think in a single silo within their own domain, and are not stretching to create better results for their organizations by teaming with other communicators

**4.3 Rapidly Evolving Media:** Media evolution remains a huge issue. It used to be you could afford to become comfortable, even the first wave of major social networks (MySpace, Facebook, Twitter) had some staying power. Today, media evolves so quickly that volatility needs to be expected. What worked last year, won't this year, and the same goes for the coming years. Marketers need to move off of channel specific strategies, and need to adapt a truly liquid approach to communications. Meaning, deliver a complete content and engagement effort to serve stakeholders wherever they are, and how they like to receive information in that specific medium. Further, they need to adapt an attitude of constant experimentation.

**4.4 Nurturing Skills for Inbound Marketing:** A majority of leads expected to come via online content and other forms inbound marketing. To succeed communicators have to understand customer experiences and needs, and build more intelligent conversion paths on their sites, in call centers, and in

stores. Using data analysis and intelligent contents, nurturing customers should become more customized and targeted towards niches. The solution for this is a better understanding of customer service, email marketing, the role of landing pages, and the creation of value-add content for core community members. Communicators steeped in broadcast or public social media paths will need to expand their knowledge base.

**4.5 Search Engine Optimization** The biggest single line item of 21st century marketing is search engine marketing. Just a blip on the screen in 2000, it has grown into a \$20 billion business today in the US alone. search engine optimization (SEO) has become a full blown science, with thousands of highly trained specialists dedicated to getting results ranked high on the page.

## 5. FUTURE MARKETING

The marketing organization of the future will be very different from the current structure and culture. The classic model, in which a marketer entrusts a single advertising agency with all communications, seems outdated. Consumers will become more demanding in the future. Within a few short years, the technical possibilities will be within every consumer's reach. This will heighten expectations toward companies and consumer tolerance for bad products and service will become all but non-existent. Also, the initiative to come into contact with a brand will reside entirely with the consumer since technology will make it increasingly easy for consumers to shield themselves from commercial messages.

### 5.1 Need of consumer in future

- **Extreme customer-centricity:** customers will no longer be satisfied with an average treatment. Those companies with a policy of extreme customer-centricity will be the most successful.
- **Technology:** marketing and technology will be two sides of the same coin. IT budgets will continue to shift toward marketing. For marketing departments all over the world, data and technological know-how will be prerequisites to success.
- **Selling without selling:** convince customers through expertise instead of commercial messages. Win them over by bringing added value to their lives

### 5.2 The Marketing Organization Of Future

- **Conversational leadership:** this aspect requires a leader with a perfect understanding of the new context; ideally someone actively involved in the conversational world. The management of the 'why' will be even more crucial.

- **Agile:** flexibility is key to success. The efficiency of a marketing organisation can no longer be determined by its own talent or limitations. The need for flexibility will downsize marketing departments and boost the marketing service industry.
- **Discipline:** discipline is more than ever indispensable, both to keep supplying content and to consolidate the company's long-term vision

### 5.3 Conversational Leadership In Future

- **Empathy:** the new leader is a good listener. He is available both for staff and customers. His job is to provide support and counsel wherever possible.
- **Connecting:** the conversational leader is a bridge builder; he connects people. He believes in the power of networks and helping other people, even when there's no short-term gain involved.
- **Decisive:** the conversational leader is capable of making decisions and executing his vision. It's not just about listening; in the end it's also about taking action.

## 6. CONCLUSION

In today's highly evolved and competitive business environment, it is indispensable to employ the aid of technology in marketing, the fact that technology has a transformational impact on the marketing is thus cannot be ignored. Technology is changing the way companies interact with their consumers; marketing is becoming more focused on technology to increase the sales and returns on investments (ROI).

In an era of Super smart-phones, high-speed internet, and convergence of digital media in day to day life, it is important that traditional marketing techniques to evolve along with the digitization of advertising, sales promotion and brand management. Marketing has moved on from basic advertising and sales promotion, to a more personal and customized approach towards customers, delivering a whole new level of involvement and experience to the consumers.

For me, the future of marketing, advertising and products design is to remove digital talent from the top and put digital thinking at the heart of our business to be driven by everyone. I think the role of specific digital people needs to be in the implementation. They need to shape ideas, to make things possible, to be the producers, they need to serve the idea and people. We need to get comfortable with everyone thinking about the digital world, but digital talent as the support and not the head architects and engineers.

**“No problem can be solved from the same consciousness that created it. We must learn to see the world anew.”**

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