



Century Development and Trend of Marketing

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Abstract

Since the marketing was established about one century ago, with the advancement of the society and the variance of the environment, it has gone through dynamic development process with continual changes, enrichments and perfections. This article will expatiate on the development and trend of marketing from three aspects including marketing concept, marketing strategy and marketing means.

Keywords: Marketing concept, Marketing strategy, Marketing means, Innovation development

The marketing was originated in US at the beginning of the 20th century, in its development course with almost hundred years, its research objects have developed from circulation domain to production domain and after domain, its contents are continually enriched, its concepts are continually updated, and its system is gradually matured. The father of modern marketing, Philip Kotler appraised that the marketing had become a sort of applied science which was established on the bases of economics, behavioral sciences and modern management theories. With continual developments of science, technology and economy, the marketing has experienced many innovation developments in its grown course, and these innovation developments are embodied in marketing concept innovation, marketing strategy innovation, and marketing means innovation.

1. Innovations of marketing concept

The market management concept is the guidance idea of the enterprise management activities, which is also called business philosophy. With the variances of the age and the continual advancement of the society, the ideas to guide enterprise management activities have changed continually, i.e. the market management concepts have experienced innovations and developments. They are embodied in the innovations and evolvments of five representative enterprise management concepts such as production concept, product concept, salesmanship concept, marketing concept and social marketing concept.

1.1 Production concept

The production concept is a sort of rather old management concept, which management idea starts from the view of enterprise, takes production as its centre, and sells what the enterprise produced. This concept was existed before 1920s, and at that time, the social productivity was correspondingly lagged and the market trend was the seller's market in which the demands were bigger than the supplies, i.e. if only enterprise produced, the market must exist. In such market conditions, the management concept (production concept) made enterprises try their best to organize all resources, increase outputs, reduce costs and enhance distributions as their central missions, but don't consider customers' different demands in the market, and the missions of the marketing department of the enterprise were very simple, and the activities of marketing research were almost hardly inexistent.

1.2 Product concept

The product concept is still an old management concept, which idea consists in that customers always love bargains and if only the products are good, customers would become surplus and the products have good market. Enterprises blindly create cheap and excellent products but ignore customers' real demands. In Theodore Levitt's "Marketing Myopia", he pointed out that the railway stopped increase and the movie almost made Hollywood overwhelmed completely because railway enterprises took railway but not transportation as their guidance, and Hollywood took movie but not amusement as its guidance, in a word, they made same mistake, i.e. the marketing myopia.

1.3 Salesmanship concept

Comparing with two former concepts, the salesmanship concept possesses some innovations and developments, which directs enterprise emphasizing production and strengthening advertisement and salesmanship. Enterprises exert salesmanship and advertisement to hawk products to actual customers and potential customers, conquer competitors, enhance market occupation and acquire abundant profits through advertisement and salesmanship. This concept existed from the

late of 1920s to 1950s, because in this period, with the development of science and technology, the production technique had improved, the product amount and varieties increased quickly, and the market development trend was gradually transformed from seller's market to buyer's market.

1.4 Marketing concept

This is a completely different management concept comparing with three former concepts, which means that the start and centre of the enterprise marketing is to fulfill customers' demands, i.e. enterprise produce what customers' needs. This concept was originated after 1950s. The consecution of management concept is reversed, and enterprises organize productions and distributions according to customers' demands and desires starting from the market demands, but don't attract or search customers through producing products in the past. It is a sort of revolutionary innovation development from salesmanship concept to marketing concept, and it is one of important concepts of capitalism enterprise management idea. Just as American managerialist Peter F. Drucker pointed out in "Management", one of two functions of enterprises was marketing. The occurrence of marketing concept makes the traditional marketing develop to the modern marketing.

1.5 Social marketing concept

The social marketing concept is further developed and perfected on the base of marketing concept, which meanings is that the products provided by enterprises are not only to fulfill customers' demands and desires, but also to consider the long-term benefits of customers and the whole society. This concept was originated in 1970s, and at that time because of facing population boom, environment pollution, global inflation and other crises, some enterprises issued fake advertisements, produced insecure and unhealthful products, harmed customers' benefits, and accordingly induced the discontentment of the society. Just under this background, enterprises begun to survey their marketing activities and considered three benefits including their own benefits and the long-term benefits of customers and the society when they established marketing strategy.

The five above sorts of management concepts can be combined into two sorts, one is the traditional management concept (including production concept, product concept and salesmanship concept), i.e. the sales concept, and the other one is the new marketing concept (including marketing concept and social marketing concept), i.e. the marketing concept. Their starts, aims and approaches are different, and the former starts from products, adopts the method of increasing productions or strengthening salesmanship, and finally achieves profits through expanding distributions, and the later starts from customer, adopt the method of integrated marketing, and finally achieves profits through fulfilling customers' demands. As viewed from that point, the innovation of the marketing concept experiences the process from quantitative change and qualitative change. Just as Philip Kotler said, the differences of these two concepts would induce very different results, and the distribution consciousness could only bring unstable short-term success, but the marketing consciousness could bring up stable long-term increases.

2. Innovations of marketing strategy

When the marketing concept experiences continual innovations, the marketing strategies are continually innovated, and that is embodied in the variance of "4P-4C-4V-4R".

2.1 "4P" strategy

"4P" is the combined strategy with four representative marketing factors including product, price, place and promotion which take production as the centre, and it was put forward by Jerome Mc Carthy in the late of 1950s. This strategy had profound influences to the theory and practice of the marketing, and was regarded as the classics in the marketing theory. In fact, "4P" had existed from the late of the 19th century to the beginning of the World War I, and in that period the world was in the times of shortage economy, and the supplies couldn't fulfill the demands in the market which was the classic seller's market. To enterprises, marketing only possessed common functions, and enterprises needed not notice customers' difference demands, and more cared about the production and price of the products, and only in that way, enterprises would get rich profits. At the late of the World War I, demand exceeded supply in some developed capitalistic national markets, enterprise competition begun to become intense, enterprise couldn't but develop functions of salesmanship and channel marketing, therefore, the marketing mode changed from "distribution decided by production" to "distribution promoted by production". In a word, enterprise implemented the "4P" marketing strategy taking production as the centre.

2.2 "4C" strategy

After the World War I ended, with the rapid development of industry, the world developed from shortage economy to surplus economy, supply exceeded demand in the market, and the buyer's market replaced the seller's market. Enterprises started to notice customers' demands to obtain competitive predominance in the market. Up to 1980s, aiming at problems existing in "4P", American Robert Lauteerborn put forward the marketing strategy of "4C". "4C" includes customers' demands and expectations (Customer), customers' costs (Cost), customers' purchase convenience (Convenience) and the communication between customers and enterprises (Communication). The connotations of "4C" include four aspects. The first one is to forget products and notice customers' demands and expectations. The second one is to forget price and notice the costs that customers would pay. The third one is to forget locus and notice consumers' convenience. And the last one

is to forget salesmanship and notice the communication with customers.

2.3 “4V” strategy

With the advent of new economic times, the marketing strategy is further developed to the combined form of “4V” which means variation, versatility, value and vibration. The connotations of “4V” include four aspects. First, enterprises should create variations if they want to create customs, and the market would exist and obtain competitive predominance when variations exist. Second, versatility is that enterprises offer series products with different functions according to customers’ different demands, and customers select products with corresponding functions according to their own demands and payment abilities. Third, products have basic value and extended value, and the present development trend is that the proportion of basic value in the value composing descends gradually, but the proportions of extended values of high technology, brand, or enterprise culture in the product value composing would further enhanced, so the product competition among enterprises have not only limited in the basic value of product, but more in the extended value of product. Four, the vibration is that enterprise continually occupies the market and keeps the “value maximum” brought by the value innovation of competition to customers and the “profit maximum” brought by that to enterprises, which emphasizes associating innovational ability of enterprise with values prized by customers and produces vibrations between enterprise and customers.

2.4 “4R” strategy

In recent years, American marketing expert Don E Schultz put forward new “4R” strategy. The “4R” strategy is to establish relevance with customers (Relevance), enhance market response (Response), exert relationship marketing (Relationship), and the return is the reward of marketing (Reward). The biggest characters of “4R” strategy are that enterprises take competition as the guidance, emphasize the communication and win-win between enterprise and customers, forwardly create demands when actively adapting customers’ demands, and enterprises must establish rapid response mechanism to enhance response speed and responses, reduce complains and stabilize customer group furthest when facing quickly changeable market, and enterprises must establish long-term and stable relationships with customers if they want to occupy market, and the communication is the important means to establish relationship, and to search rewards, enterprises must implement low cost strategy, and obtain more customers based on payment cost minimum of consumer, so values offered for customers by enterprises and rewards searched by customs supplement and promote each other, and would achieve the effects of win-win objectively.

The above marketing strategies are not the relationships they can replace each other, which embodies the continually perfecting and innovating process of the marketing strategy.

3. Innovations of marketing means

Tremendous changes of market environment fully influence the marketing activities of enterprises in all directions, which not only requires enterprises innovate upon marketing concept and marketing strategy, but also requires enterprises innovate upon marketing means. The innovations of marketing means can be embodied from following aspects.

3.1 Innovation of marketing organization

To facing challenges from market competition, enterprises must innovate upon marketing organization, strengthen transverse communication and mutual harmonization of the organization to fulfill customers’ demands, accordingly create profits. The marketing organization of modern enterprise presents development trends such as association, flat, dummy and conception, which make decision-making more direct, quick and flexible, and such organizational form combines enterprise and market more tensely and ensures the speediness and science of the marketing.

3.2 Implementing network marketing by means of Internet

The development of information technology provides necessary material bases and technical conditions for marketing means, and enterprises can utilize internet to offer commodities and services, set up electric marketplace, implement network research and grasp economic information and market conditions, which is the network marketing emerged as the times require in the knowledge economic times, i.e. a sort of electric business activity utilizing communication technology of internet to implement marketing.

3.3 Developing relationship marketing

Relationship marketing is to regard marketing activities of enterprise as the process of communication between enterprise and supplier or distributor or competitor or governmental institution or other companies. Its times background is in 1990s and its essential characters are the bidirectional information communication, mutual benefit of marketing activity, harmonization of strategic course. To keep and extend market share, enterprises must maintain a customer group having long-term cooperate relationships with them, and long-term fellowships decides developmental potential of every enterprise.

3.4 Implementing brand marketing

Brand is the business appellation of commodity, which is originated by enterprise and has remarkable characters to identify

products of enterprise. Enterprise can enhance market influence of brand and win customers' loyalties through strengthening brand management. To face such challenges as quickly changeable scientific technology, endlessly emerged new products, consumers' new conceptions, enterprises can continually endow brands with new connotations and images to form strong attractive powers to customers through market innovations of brands.

3.5 Developing service marketing

Service has four characters such as immateriality, inseparability, otherness and the character that cannot be stored. Because service doesn't involve transfer of property in the consumption process of enterprise and consumers, so every concrete service is the integration of four above characters. The different combinations of four characters can form variation and competitive predominance. The present market development trend is that service factor has replaced product quality and price and become the new focus of competition, and one important aspect of future enterprise competition is service competition.

3.6 Developing marketing innovation according to local conditions

In the practice of marketing, the marketing innovation increasingly becomes rich and colorful, and some marketing innovation means such as customized marketing, direct marketing, chain joining marketing, green marketing, agent marketing and so on can be referenced by enterprises according to their own actual situations. But because different enterprises face different markets, which makes different fractionized markets have big differences in the aspects such as scale, character, purchasing power and diathesis of objective groups, so enterprises should avoid blindly copying marketing concept and means of foreign craft brothers, or else which may induce the failure of enterprise marketing innovation.

4. Conclusion

Continual advancements of the society fully influence various aspects of marketing. In almost one century developmental course of marketing, marketing innovation runs through its whole grown process and infiltrates to its every aspect. With the globalization of world economy and the quickness of market integration, the marketing environment in the 21st century is experiencing world-shaking changes, so enterprises must continually implement marketing innovation if they want to seek survival and development in such a changeable and highly competitive market in future.

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