**Objectives: at the end of the lesson, students will be able to;**

1. **Master the historical evolution of marketing.**
2. **Know how organizations use these stages to effectively market products and lay strategies.**
3. **Know how marketing plays a vital role in area functionality than other departments.**
4. **Customers are focal point of marketing.**

**EVOLUTION OF MARKETING:**

Several historical factors led to the present trend in marketing. Some of these factors include: -

**1. Changes in Consumer Behavior**

There have been many major marketing shifts during the last few decades that have shaped marketing in the 21st century. There is no longer the product loyalty that existed in the past. Increasingly it is clear that while the 4 Ps (product, price, promotion, and place) have value for the consumer, the marketing strategies of the 21st century will use the four “4 Cs” as added critical marketing variables, i.e.:

1. **Care**: It has replaced service in importance. Marketers must care about the way they treat customers.
2. **Choice:** Marketers need to reassess the diversity and breadth of their offerings into a manageable good-better-best selection.
3. **Community**: Even national marketers must be affiliated, attached to neighbors wherever they operate stores.
4. **Challenge**: The task of dealing with the ongoing reality of demographic change.

**2. End of the Mass Market**

Today, with the advent of communication technologies like e-mail, Web site, mail, telephone, or fax; interactive television, marketers are able to appeal directly to their target markets and personalize the products or services based on the feedback they receive from the customers.

Most households today either have direct Internet access, or with TV sets that also provide real-time interactivity through the Internet. We are closing rapidly on the time where individuals will interact with their television and/or computer simply by speaking to it. Via various Web sites, computers work for us to enable us to remember transactions and preferences and find just the right entertainment, information, products, and services. These new developments build a case for the growth of one-to-one marketing.

**3- Marketing Management philosophies**

* **The Production Orientation Era:** Enter the industrial age. Since goods were scarce, businesses focused mainly in manufacturing. This *concept* held that consumers will favor products that are available and highly affordable. That management should, therefore, focus on improving production and distribution efficiency. This orientation rose to popularity due to shortages in the market, hence creating the foundation of Jean-Baptiste Say's famous remark: "Supply creates its own demand."

**However,** this orientation is useful when:

1. Demand for a product exceeds the supply.
2. The product’s cost is too high and improved productivity is needed to bring it down prices.

* **Product orientation era:**

The production orientation assumes that consumers will prefer product based on its quality, performance and innovative features. This means that the company should concentrate on making continuous product new features improvements, like designing, labeling, packaging, size, color and branding. The product concept holds that consumers favor quality products that are reasonably priced, and therefore little promotional effort is required

However, this concept can also lead to “marketing myopia,” i.e. focusing too much on your product and failing to see the challenges being presented by other products.

* **The Sales Orientation Era:**

After the Industrial Revolution, competition grew and focus turned to selling. Marketing, branding and sales became an important pillar as outputs surpassed demand, and companies competed for customers.

1. According to Kotler and Armstrong, the orientation of the selling concept was that the company can sell any product it produces with the use of marketing techniques, such as advertising and personal selling.
2. This concept is usually practiced with unsought goods (those that buyers do not normally think of buying e.g. insurance policies, encyclopedia).
3. , the organization must be good at tracking down the interested buyer and selling to them the product benefits, high risks with this approach but low satisfaction by customers, Industries that use this concept usually have overcapacity. Their aim is to sell what they make rather than make what will sell in the market.

The emergence of the selling philosophy was necessary because of increase in production of variety of goods after the Industrial Revolution, as companies became more efficient in production. The increase in amount of product and types of products led to competition which eventually led to the end of product shortages and the emergence of surpluses.

* **The Marketing Orientation Era:**

The marketing philosophy started to dominate business orientation during the 1950s and continues until the twenty first century. This concept holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors do.

The key assumption underlying the marketing philosophy is that “a market should make what it can sell, instead of trying to sell what it has made” The marketing concept focuses on the needs and wants of the buyer rather than the needs of the seller and the product. Employees within an organization were also motivated to acquire marketing knowledge, which set the grounds to clients obtaining a general brand experience.

The primary differences are:

* The selling concept takes an “inside-out” perspective (focuses on existing products and uses heavy promotion and selling efforts).
* The marketing concept takes an “outside-in” perspective (focuses on needs, values, and satisfactions).

**However,** Many companies claim to adopt the marketing concept, but do not unless they commit to market-focused and customer-driven philosophies, e.g.:

* + - Customer-driven companies research current customers to learn about their desires, gather new product and service ideas, and test proposed product improvements.
* Such customer-driven marketing usually works well when there exists a clear need and when customers know what they want.

**The Societal Marketing Concept**

The *societal marketing concept* holds that the organization should determine the needs, wants, and interests of target markets. It should then deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the consumer’s and the society’s wellbeing.

1. The societal marketing concept is the newest of the marketing philosophies.
2. It questions whether the pure marketing concept is adequate given the wide variety of societal problems and ills.
3. According to the societal marketing concept, the pure marketing concept overlooks possible conflicts between short-run consumer wants and long- run consumer welfare.
4. The societal concept calls upon marketers to balance three considerations in setting their marketing policies:
   * 1. Company profits.
     2. Customer wants.
     3. Society’s interests.
5. It has become good business to consider and think of society’s interests when the organization makes marketing decisions.

**4. Evolving Views of Marketing’s Role:**

As expressed in figures below, initially the Marketing was considered to play equal function as other departments of the organization. But with the passage of times and growing importance of the customers, marketing department attained more importance and attained the central part in the organization.

 



**Over views according to above diagrams.**

1. Most service driven organizations now view the customer as central to all the operations of the company
2. With marketing as the major function driving all the activities and programs of the organization.
3. The success of any organization in today’s competitive era depends upon the level of satisfaction provided by the company.
4. Nowadays the marketing department is acting, as integration department to provide integration among the functions performed by the company and customer is acting as controlling factor in the organization.