



A Paradigm Study on Current Marketing Issues & Challenges

KEYWORDS

Dr. Sudhinder Singh Chowhan

Associate Professor, Nims Institute of Management, Nims University, Jaipur

India is a growing economy, in the past we used to see the monopoly of seller i.e. seller market, now the conditions have entirely changed, now its buyer market.

Following are the major issues and challenges before the market.

Issues and Challenges-

Dynamics of growth market (i.e. increasing number of competitors)

(As it is happening in mobile service market, in 1995 when Government formed the first policy, only 3+1 mobile service operator were allowed in each state, but now lot more are allowed)

Dynamic mode (under the highly volatile Environmental conditions)

The above challenges make the marketer, difficult to maintain an early lead in the relative market share. In this situation of growing market, a company can maintain its current share position only if its sales volume continues to grow at a rate equal to that of the overall market.

Hence, for a company, to retain or recoup its market leadership position, it has to establish three objectives –

- Retain current customers, ensuring that these customers remain brand loyal while making repeat or replacement purchase.
- Stimulate selective demand among later adopters to ensure that it captures a large share of continuing growth market.
- Stimulating primary demand to speed up overall market growth.

In light of above, companies should review their marketing strategy, such that

- a) The satisfaction of existing customers are improved and
- b) The attractiveness of its offering to new customers is increased.

Solution to the problem-

Modern definition of marketing says that Marketing is an ongoing process of

- Discovering and translating customer need and desire into products
- Creating demand for these products,
- Serving the customer demand,
- Expanding the market.
- Caring the customer after sale.

In short modern marketing begins with the customer, and ends with the customer satisfaction, hence under this market driven economy **CUSTOMER IS THE BOSS**, hence Customer care is the most important factor.

According to research done by TARP (Technical Assistance Research programme) – out of 100 unhappy customer, 96 never complaint about rude or discourteous service –but over 90 of them moves to your competitor and these unhappy will tell this to 10 people, so 100 unhappy customer will create bad name to other 1000 people by word of mouth. So to solve the problem, we have to ask the following questions from self

- Where are we now?
- How did we get there?
- Where are we heading?
- Where would we like to be?
- How do we get there?
- Are we on course?

Businesses operate in hostile and increasingly complex environment. The ability of a business to achieve profitable sales is impacted by dozens of environmental factors, many of which are inter-connected. It makes sense to try to bring some order to this chaos by understanding the commercial environment and bringing some strategic sense to the process of marketing products and services. A marketing plan is useful to many people in a business. It can help to:

- Identify sources of competitive advantage
- Gain commitment to a strategy
- Get resources needed to invest in and build the business
- Inform stakeholders in the business
- Set objectives and strategies
- Measure performance

To study the retention study of defectors is essential.

Defections –It can be classified as follow

Price defection- Here defection takes place because of lower price of the competitor.

Product defection-Here defection takes place because of superior quality of competitor.

Service defection –Better quality of service, provided by competitor is the cause of defection.

Relocation Defection-Here defection takes place because customer leave the old place and relocate himself to new place.

Technological Defection-Here customer defects the present marketer, because competitor is providing better technology.

Defection and Remedial measure-The potential defection may be arrested by following process.

- Arrange Exit interview-By arranging an interview with the customer who has either discontinued the present product or willing to do so. This will help in finding the reasons of leaving.
- Analyse the data obtained-By analysing the interview detail, list the strength and weaknesses of the company.
- Compare the data with best competitor-This will reveal the customer expectations.
- Rearrange the product in the best way-On the basis of above redesign the product, such that the maximum reasons of defections are addressed.

In addition to arrest defection, the next most important job for marketer is acquiring customer.

Acquiring Customer

For acquiring customer following are essential

- Provision of service /goods to the expectation of customer.
- Clean and smart looking environment
- Taking help of marketing mix ie 4P/7P
- Building Relationship-remembering the details of customer.

In addition to all above, study of customer behaviour is essential for a new product launch.

New Product Launch

Once a product is developed, effective product launch becomes the critical step to its success. The Product Launch Process must address all the steps necessary to start volume production, plan and execute marketing activities, develop needed documentation, train sales and support personnel (internal and external), fill channels, and prepare to install and support the product.

To bring a new product or service to market company has to take care of:

- Marketing Communications Planning
- Development of Tools and Tactics
- Public Relations
- Market Research
- Media Planning
- Advertising
- Promotion
- Branding
- Logo Design
- Packaging

New Product Launch Process

Before launching a new product in market, managers have to take care of organizational responsibilities and interfaces, issues and goals, product development and assessment. Activities covered, prior to new product launch process are

- Testing, and certification
- Pilot production and process prove-out
- Forecasting

- Vendor qualification
- Package design
- Marketing and advertising program, design and execution
- Market testing
- Sales and distribution planning
- Sales, support and service training
- Spare parts planning and logistics

Advantages (of planned product launch process)

- Better production ramp-up
- More effective marketing
- A sales force better prepared to begin selling the new product,
- A service and support group better able to service and support the new product,
- Leading to greater customer acceptance.

Every company wants to get its new product rapidly out into the market. It needs satisfied buyers, to whom the product's adoption can be promoted by a wider audience. Instead of flooding the mails with brochures, the modern marketer can pinpoint likely buyers among his customer base with considerable accuracy. The key to success lies in finding those customer segments which are most disposed to become early adopters.

Types of Customers

Dr. Paul Wang, of Northwestern University, is widely known for his identification of the three main business customers: program buyers, transaction buyers and relationship buyers. A program buyer is one who follows some sort of internal procedure to make their business purchases. This is typical of governments or mature industries, which have developed manuals, which govern their buying process. Typically, such buyers try to spread their purchases of any one category among several suppliers according to a fixed schedule. Such program buyers are almost immune to external marketing stimulus. They are highly unlikely to be early adopters. Sales force and common sense can help in this task.

The second business buyer type identified by Dr. Wang is the transaction buyer. These are companies that are primarily motivated by price. They are willing to shop around for every purchase. They have everyone's catalogue and actively compare prices. These buyers are also unlikely to be early adopters. One can often identify these transaction buyers, and eliminate them from product launch portfolio.

For initial product launch, best reception is found in the relationship buyers. These are business customers who like seller's products and services. They have built a relationship with sellers' employees. They think of Seller Company as their primary supplier of category. They do not want to be bothered to have shop around every time they make a new purchase. They look for quality, good service, helpfulness, friendship and information. If company can supply these things, they will stick with it, when its competition is on sale. If company has a new product, they will be the first to want to hear about it. It is to these good people that product launch is looked for.

Consumer Buying Behavior

Meeting and satisfying target customers need and wants is the basic aim of marketing. Understanding consumer behavior and knowing customers is never simple. Customers may state one thing but act otherwise. They may respond to influences that change their mind at the last minute.

Marketers study their target customers' wants, perceptions, preferences and shopping and buying behavior. Such studies provide clues for developing new products, product features, prices, channels, messages, and other marketing-mix elements.

Model of Consumer Behavior

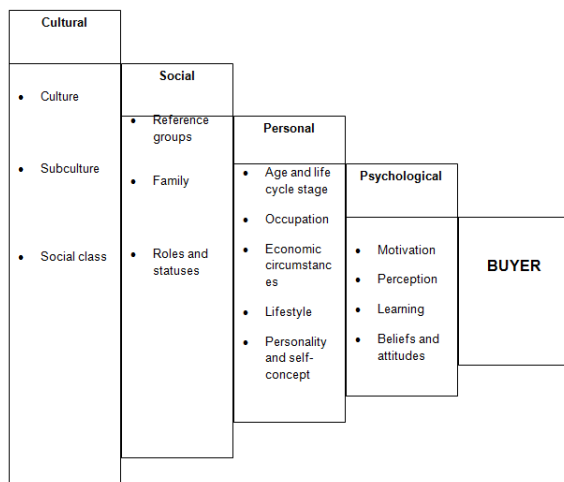
Earlier, marketers could understand customers through the daily experience of selling to them. But the growth in the size of the companies and markets has removed many marketing managers from direct contact with customers. Managers have had to rely on consumer research for answers to the following key questions:

Who constitutes the market?	Occupants
What does the market buy?	Objects
Why does the market buy?	Objectives
Who participates in the buying?	Organizations
How does the market buy?	Operations
When does the market buy?	Occasions
Where does the market buy?	Outlets

The starting point for understanding the consumer is the stimulus-response model as shown in the given figure:

Figure: Stimulus-Response Model

Marketing Stimuli	Other Stimuli	Buyer's characteristics	Buyer's decisions process	Buyer's Decisions
<ul style="list-style-type: none"> Product Price Place Promotion People Process Periphery 	<ul style="list-style-type: none"> Economic Technological Political Cultural 	<ul style="list-style-type: none"> Cultural Social Personal Psychological 	<ul style="list-style-type: none"> Problem Recognition Information search Evaluation Decision Post purchase behavior 	<ul style="list-style-type: none"> Product choice Brand choice Dealer choice Purchase timing



Solution to Problem-

The answer of every thing is the **Relationship Marketing**; it helps in attracting, developing and retaining the customer. By a good relationship both parties i.e. buyer and seller could receive value in doing business. The theme is that we have to give up the traditional thinking that customer is one time customer i.e. customer to be cared one time

during sale proceed.

Relationship would give variety of benefits-convenience, function value, ego satisfaction and so on.

Objectives of Relationship marketing

1. Turning prospects into advocates
2. Minimising Defections
3. Developing large number of loyal customer.

Development of relationship marketer.

1. They should be trained in continuous manner.
2. They should have a culture of providing importance to the customer
3. They should be in position to serve in the best manner within constraints.
4. They should be perfect in communication and should be able to take feedback from the customer.

In the current market scenario caring the customer is the foremost important and by adopting this one will always remain in the Win-Win position.