

EVOLUTION OF MARKETING

Each era has a certain marketing concept in its evolution. Marketing concept is a way of thinking; a management philosophy guiding an organization's overall activities all the efforts of the organization, not just its marketing activities.

The first stage of marketing evolution was the production era. The main goal of manufacturers was increasing output with the assumption that customers would look for, and buy, reasonably priced, and well made products. Today it is not effective because companies focusing their effort too narrowly losing sight of the core idea of producing to meet customer needs, but this concept can be used when the company wants to expand the market.

The product era followed the production era when companies tried to produce product based on its quality, performance and innovative features. This concept focusing on the product and not on the consumer needs, which leads to 'marketing myopia'. Now it can be useful when company introduces new products where there may be insufficient customer knowledge and competition.

The product era was replaced by sales era. This era has led to use of marketing techniques, such as advertising and personal selling. It focuses primarily on customer conquest – getting short-term sales with little concern about who buys or why. Nowadays, it could be used to support some more dominant philosophies in certain types of businesses.

Unlike the selling concept, the era marketing focuses on the needs and wants of the buyer rather than the needs of the seller and the product. The marketing concept rests on four pillars: target market, customer needs, integrated marketing and profitability. Presently, the concept still reigns superior in creating and retaining profitable customers, which is a primary objective of businesses.

The concept of the societal marketing era calls to balance three considerations: company profits, consumer want and satisfaction, and public interest. This new concept represents an attempt to harmonize the goals of business to the occasionally conflicting goals of society.

A new stage of marketing emerged called relationship marketing era. It concentrates on a long-term relationship between company and customer. These relationships are based on trust and commitment. The main idea of the concept affirms that 'the cost of attracting a new customer is estimated to be five times the cost of keeping a current customer happy.'

The concept of holistic marketing era is the future business thinking and includes internal marketing, performance marketing, integrated marketing and relationship marketing. This concept can be described as a clever combination of all the concepts that have been developed prior to it.

To sum up, the development of a new concept may not necessarily mean abolition of old concepts. New concepts may build on old ones to make a business more successful. Some of the old concepts developed in each era are still around today, and marketing concept remnants from each era compete with each other as organizations conduct their marketing activities.