

ASPECTS CONCERNING THE EVOLUTION OF MARKETING'S ROLE WITHIN THE FIRM

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Abstract: Marketing is a dynamic and functional sector which by its very own structure undergoes continuous modifications and adaptations. The organization of such an activity within the framework of the firm offers a set of instruments by which the firm can accomplish its goals and objectives.

1. Introduction.

As a result of the complexity of evolution of the technological, economical and competitive environment the firm have modified and adapted continuously their objectives, this achieving the important role which the marketing has in accomplishing these and thus determining the organization of a compartment of marketing within its framework. For a better understanding of the current role of marketing we will follow its evolution from the beginning until now.

Consequently we can distinguish three stages in the evolution of marketing as follows: passive marketing, organizational marketing and active marketing.

2. The passive marketing.

The firm within the organization of marketing is the “passive marketing” type has at its basis the following: the existence of an important potential market, the market being characterized by a superiority of the offer compared to the demand because of the insufficient production capacities; a falling technological innovation on the reference market. This kind of economical situation has been observed at the beginning of the century during the industrial revolution but also immediately after the war existing presently in the developing countries.

Analysing those presented above we found that the role of marketing within the firm is limited and passive thus: the strategic marketing is exercised naturally as far as the needs are known: the operational marketing is reduced to the organization of the sales (the selling of the manufactured goods): the promotional actions were useless, and the firms couldn't supply the market as if they had wished. The contracts with the market were limited to the first buyer of the goods/product, who was most often an intermediary - a wholesale dealer or an industrial dealer. So there are few contacts with the final demand and the market studies are less frequent. This situation is found in the firms which are dominated by the function of production whose priority preoccupation in the development of the outfits/equipments. In this case, the

role of marketing consists of selling what is produced and not to produce what is requested on the market.

The organizational structure of the firm was defined as “the production outlook” characterized by the following:

- a lack of balance in terms of functions, i.e. the marketing is not represented at the same hierarchical level as the functions of production, finance, administration and human resources are:
- The First level of marketing is a commercial service, relationships with customers and sales administration.
- The choosing of products is replaced by the function of production and the sales price and the provisions are under the responsibility of the finance function.

Typical for this way of organization of marketing, is the existence of the dispersion of responsibilities for that concerns, the means of marketing (the four P) on one hand, and on the other hand it encourages the firm development tackling the production outlook, i.e. the firm would know what is good for the buyer and it is convinced that it produces a superior product, having the tendency to consider that, however the buyer keeps on buying the product in order to test it. This state of mind is convenient in the environment, where the request is superior to the offer and the buyers are willing to buy not to import other models of the product if they can find. The danger which is represented by this orientation in organizing the marketing within the firm is the marketing's lack of usefulness.

3. The Organizational Marketing.

The organizational marketing emphasizes on the operational marketing and on the sales' outlook. This orientation has been tackled progressively in the western economies during the 50s' by the firms producing consuming goods because the request was increasing and the production capacities were available on this markets.

This new way of tackling was determined by the following:

- the appearing of a new way of distribution (adapted to the exigency of the mass distribution);
- The geographical spreading of the markets, the physical and psychological moving off of the producer from the consumer determined the necessity of using the means of communication (the selling force and especially the publicity).
- The generalized development of the brand policy.

In this stage most of the firms have as a goal the fulfillment of the needs of most of the consumers. Taking into account the fact that the markets are easily segmented the strategic decisions regarding the product policy are the responsibility of the production function, the marketing has the role to co-ordinate the product marketing, this including absolutely all the aspects concerning the marketing process. In this way we establish that the role of marketing in these firms becomes less passive, implying in the investigation and the distribution of the accomplished products, all in order to make the firm more efficient.

From the point of view of the organizational structure, these changes led to the increase of sales, or commercial compartment thus being able to notice a rebalance of functions. These commercial compartments led to the creation of the selling networks, at the necessity of market studies whose importance began to manifest especially for the buying habits, for the efficiency of publicity and for the impact on brands and conditionings, etc.

This orientation to sales is often present in the operational marketing and it is based on the following:

- the consumers have naturally the tendency to resist buying non essential products;
- consumers can be determined to buy more if they use different means in order to stimulated sales;
- firms must create a strong marketing department and to use important promotional means in order to attract and keep the customers.

Another tackling of organizational marketing refers to the techniques called “the art of marketing” through which some firms producing goods which are not naturally requested by the buyers developed “aggressive” marketing techniques .This happens when the firms want to clear the stocks and use aggressively the promotions, the publicity, etc, thus associating the notion of marketing with aggressive selling.

In firms with orientation to marketing the conception of the role of a seller evolved very much during the last year, the marketing outlook in sales replacing and inverting the logics of the marketing outlook. Thus the seller has the role only to help in the process of selling and not to try to sell the manufactured product. As P. Druker has said: “... the goal of marketing is to make the selling easier”.

Organizational marketing promoted the development of the selling outlook, which implies a certain commercial aggression, based on the idea that the market absorbs everything, if a certain pressure has been exercised on it. This way of tackling is effective, but certain aspects should be taken in to account such as: the market expansion, the existence of products that are only a little differentiated, the existence of some consumers less experimented as buyers. The risk of selling outlook is that or considering this commercial way valid in all the circumstances and to merge it to the marketing outlook.

On the other hand the exaggerations both those concerning publicity but also the selling of products determine the development within the firm of a manipulation marketing or an aggressive marketing whose objective is to adept the request to the exigencies of the offer and not to adapt the offer to the needs of the consumers. These excesses led to the appearing of the consumers’ associations and to the office of protection of the consumers, determining the state’s implication through laws of protection of the consumer’s interests.

3. Active Marketing.

The stage of the active marketing is characterised by the development and/or the reinforcement of the role of the strategic marketing within the firm. At the basis of these evolutions there are the following factors:

- the acceleration and the spreading of technological progress;
- the maturity of the markets and the saturation of the fundamental needs of the consumers;
- the increased internationalization and globalization of the markets.

We are going to present briefly bellow these factors and their implications on the functions of the marketing within the firm.

a) The Technological Progress

The spreading of the technological progress had as a result both a quantitative explosion and a qualitative one, of products and new industries. A great number of products, which today we use frequently didn't exist a little time ago, and in the performer firms, one can

notice frequently that 40-60 per cent from the business figures are accomplished from the production which didn't exist five years ago.

At the same time from the point of view of technological progress, this period is a period of innovations, more than a period of inventions. If the invention is a creative act which is the starting point of an invention, the innovation is the implementation of some discoveries, of an invention carrying progress. The innovation is the result of a will explained by changing and not a simple consequence of a hazard. During this period when we speak about technological progress, in fact we speak about the exploitation and the technological modification, and not about the technological structural change as it was the case of the present period.

The spreading of the technological progress is the result of the acceleration and the generalization of scientific research as follows;

- the spreading of the technological progress is accelerated by the increasing of the rhythm of innovations and the decrease of the time necessary to pass from the development to commercial exploitation at a high scale. This evolution brings about a diminution of the technological life duration of the products and also the available time in order to make profitable the efforts of research/ development.
- the spreading of the technological progress is generalized passing from the economical sectors to firms and countries. Only few sectors remain protected by the technological innovations because this leads to the disappearing of the existing industries, to their substitution with the other over passed from the technological point of view. All these need an attentive analyze and survey in the technological and competition environment.
- the spreading of the technological progress is systemized and the states play an important role in this domain, allotting important resources for the scientific and industrial research this being institutionalized both within the firms and the universities and also in specialized organizations private or public.

This continuous evolution of technology has direct effects on the product policy determining the firms to restructure their portfolio of products in a more rapid rhythm on one hand, and on the other hand the continuous evolution of technology determines the firms to reinforce the analyzed functions and to survey attentively and continuously the markets.

b) The Saturation of the Market Fundamental Needs

The rapid expansion of economy during the 50s' led to the saturation of the request for the fundamental needs of the market and determined a new modification of the role of the function of marketing within the firm. This change manifested through the appearing of a potential request for specific products, adapted to the needs of the groups of consumers and buyers.

Because of the fact that the consumers' preferences are different, the firms have to take into account the positioning of their products according to these preferences. The tendency of each firm is to develop a middle product in order to fit the central nucleus of the market and which led to a minimal total dissatisfaction. Thus the innovating firms have these segments of potential market, the most important and the most benefic at the same time of economies at a scale in production and distribution. In this stage the firms will practice an organizational marketing and at the stage of active marketing will develop only when the saturation of the need corresponding to the central nucleus of the market and numerous competitors will make similar offers.

The process is resumed rediscovering the peripheral segments which develop products designed especially to satisfy the needs. These segments are smaller, sure but they are also constituted an unemployed potential because the consumers will never find on the market a product corresponding to their preferences. The firm will practice a strategy of segmentation and the market will stabilize in segments corresponding the differentiated products. This stage called the segmentation stage requests from the majority of firms a good knowledge of the market and of the advantages of research of different groups of potential buyers.

In industrialized economies the fundamental needs are well satisfied in the large majority of markets. Finding segments carrying the increase is not a very easy task but it requests a deep understanding of markets, needs, users and the way of using the product. This knowledge can't be obtained but through a reinforcement of the analysis dimension of marketing i.e. through strategic marketing.

a) The Internationalization of Markets.

The stage of the Internationalization of Markets was between the '60's and the '90's. First at the European level this internationalization manifested by creating the Common market and at the world level through GATT agreements and the progressive liberalization of the changes which resulted at the end of the cold war and through the development of the change between East and West. All these factors contributed to the widen of the market in a general manner to the intensification of competitively and emphasizing the competitor positions held.

This determined more changes concerning the increase of the role of marketing within the firm. Thus, a firm oriented to the active marketing brings about important changes concerning the level of decisions, concerning the product policy so these decisions are now in the responsibility of the function of marketing which will collaborate for these decisions with the department of research/development and the function of production of the firm. Concisely this signifies that the strategic marketing orients the product policy and decides the economical validity of the product. The origin of the idea of new products can be any: production, research\development or any other resources, but before adapting and launching in production a series of tests which belong to the strategic market are necessary.

In firms which adopted the marketing outlook so marketing direction which has under its responsibility all the tasks that use the strategic and operational marketing here being included the choice products/markets the markets success is not waited for long .

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