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Scope and Challenges of Modern Marketing Management for the New Millennium

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ABSTRACT

Modern marketing has all opportunities and challenges for new and existed marketer for exciting opening in various current and latest entry of innovative and comprehensive compass the new products and services. Marketing is a process that affects our lives. We are consumers, but many of us are part of marketing like salespersons, wholesalers, rivals, Raw material suppliers and so force. As we know, the concept of marketing is constantly redefined. Marketing defines activities that create value through exchange between parties. This concept is a traditional definition of marketing. That used in many companies and organization, but in the globalization age, another concept is created that called modern marketing. In this article we tried to examine the concept of modern marketing, role and characteristics and challenges of its usage in companies and firms.

Keywords: *Marketing, Marketing Strategic, Marketing Mix, Modern Marketing*

INTRODUCTION

Marketing management is a business discipline which is focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities. Globalization has led firms to market beyond the borders of their home countries, making international marketing highly significant and an integral part of a firm's marketing

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strategy. Marketing managers are often responsible for influencing the level, timing, and composition of customer demand accepted definition of the term. In part, this is because the role of a marketing manager can vary significantly based on a business's size, corporate culture, and industry context. For example, in a large consumer products company, the marketing manager may act as the overall general manager of his or her assigned product To create an effective, cost-efficient marketing management strategy, firms must possess a detailed, objective understanding of their own business and the market in which they operate. In analyzing these issues, the discipline of marketing management often overlaps with the related discipline of strategic planning.

MARKETING STRATEGIES

In the view of the changing profile of Indian customers, marketers have been experimenting and utilizing different strategies to communicate and influence the new Indian customer. A number of techniques have been used to tap into wallets of the next generation customer some of which are:

Figar.1: Modern *marketing Management*

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Social Marketing: Social marketing is a process for influencing human behavior on a large scale, using marketing principles for the purpose of societal benefit rather than for commercial profit.

Viral and Buzz marketing: Any strategy that encourages individuals to pass on marketing message to others, creating the potential for rapid multiplication to explode the message to thousands, to millions. Buzz marketing is a viral marketing technique that attempts to make each encounter with a consumer appears to be a unique, spontaneous personal exchange of information.

Mobile marketing: Mobile Marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network.

Blue ocean strategy: A blue ocean is created when a company achieves value innovation that creates value simultaneously for both the buyer and the company. The innovation (in product, service, or delivery) must create value for the market, while eliminating features or services that are less valued by future market.

Green Marketing: Green marketing is the marketing of products that are presumed to be environmentally safe so that the customers value the product.

Ambush marketing: Ambush marketing is as undeniably effective as it is damaging, attracting consumers at the expense of competitors, all the while undermining an event's integrity and, most importantly, its ability to attract future sponsors.

Permission marketing: Permission marketing is an approach to selling goods and services in which a customer explicitly agrees in advance to receive marketing information.

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However, the perception of these marketing strategies is not the same for the marketer and the customer. An analysis of the strategies adopted by the various marketers was done to understand this difference.

MARKETER'S PERCEPTION

With the changes in lifestyle there is increased pressure on the marketer to grab the attention of the customer. Increasing emphasis is laid on interactive social media tools such as radio channels, text messages and e-mails as well as social networking sites such as Orkut, Face book, Twitter and company blogs. These media platforms enable the customers to discuss about the issues, likes-dislikes and recommendations.

Increasingly Indian consumers are also aware and concerned about the efforts companies make towards the conservation of environment and community development. The concept of Societal Marketing and Green marketing although decades old, is being increasingly used in recent times. In face, companies have started leveraging on these concepts to entice the "aware" customers. The 'Jaago re' campaign of Tata Tea, launched to create awareness about the voting right of Indian citizen, was very successful. ITC's campaign of donating Re. 1 towards the education of poor students on every purchase of notebooks is an example of new tactics used by the "modern marketer".

A study of bajaj and Hero Honda in the 2-wheeler segment presents the similar story. In the wake of the competition provided by Hero Honda, Bajaj has completely transformed its image of being a traditional family 'scooter' to a younger generation bike with marketing techniques like Bajaj pulsar 'stunt mania' which has been possible through the use of next generation marketing techniques such as gaming, virals, green marketing, buzz and rural marketing. Similarly Hero Honda has utilized these techniques consistently to remain a market leader in the category.

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Thus our marketer is entirely focused on integrating the current technologies with the marketing program in the form of emails, text messages, internet blogs, networking sites etc. However the attitude of customers towards these strategies is a bit different from the marketer's viewpoint.

COMPOSITION

Marketing management employs various tools from economics and competitive strategy to analyze the industry context in which the firm operates. These include Porter's five forces, analysis of strategic groups of competitors, value chain analysis and others. Depending on the industry, the regulatory context may also be important to examine in detail.

In competitor analysis, marketers build detailed profiles of each competitor in the market, focusing especially on their relative competitive strengths and weaknesses using SWOT analysis. Marketing managers will examine each competitor's cost structure, sources of profits, resources and competencies, competitive positioning and product differentiation, degree of vertical integration, historical responses to industry developments, and other factors.

Marketing management often finds it necessary to invest in research to collect the data required to perform accurate marketing analysis. As such, they often conduct market research (alternately marketing research) to obtain this information. Marketers employ a variety of techniques to conduct market research, but some of the more common include:

- Qualitative marketing research, such as focus groups and various types of interviews
- Quantitative marketing research, such as statistical surveys
- Experimental techniques such as test markets
- Observational techniques such as ethnographic (on-site) observation

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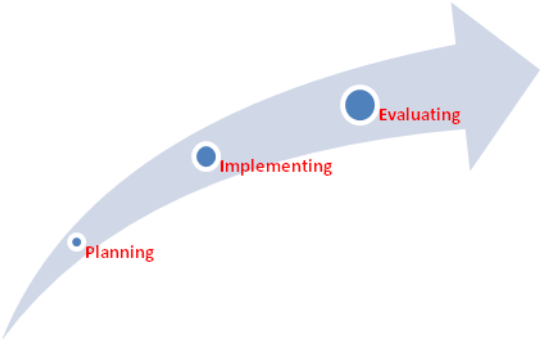

Figar.2 Evaluation of Marketing

Marketing managers may also design and oversee various environmental scanning and competitive intelligence processes to help identify trends and inform the company's marketing analysis.

A brand audit is a thorough examination of a brand's current position in an industry compared to its competitors and the examination of its effectiveness. When it comes to brand auditing, five questions should be carefully examined and assessed. These five questions are how well the business' current brand strategy is working, what are the company's established resource strengths and weaknesses, what are its external opportunities and threats, how competitive are the business' prices and costs, how strong is the business' competitive position in comparison to its competitors, and what strategic issues are facing the business.

Generally, when a business is conducting a brand audit, the main goal is to uncover business' resource strengths, deficiencies, and best market opportunities, outside threats, future profitability, and its competitive standing in comparison to existing competitors. A brand audit establishes the strategic elements needed to improve brand position and competitive capabilities within the industry. Once a brand is audited, any business that ends up with a strong financial performance and market position is more likely than not to have a properly conceived and effectively executed brand strategy.

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A brand audit examines whether a business' share of the market is increasing, decreasing, or stable. It determines if the company's margin of profit is improving, decreasing, and how much it is in comparison to the profit margin of established competitors. Additionally, a brand audit investigates trends in a business' net profits, the return on existing investments, and its established economic value. It determines whether or not the business' entire financial strength and credit rating is improving or getting worse. This kind of audit also assesses a business' image and reputation with its customers. Furthermore, a brand audit seeks to determine whether or not a business is perceived as an industry leader in technology, offering product or service innovations, along with exceptional customer service, among other relevant issues that customers use to decide on a brand of preference.

A brand audit usually focuses on a business' strengths and resource capabilities because these are the elements that enhance its competitiveness. A business' competitive strengths can exist in several forms. Some of these forms include skilled or pertinent expertise, valuable physical assets, valuable human assets, valuable organizational assets, valuable intangible assets, competitive capabilities, achievements and attributes that position the business into a competitive advantage, and alliances or cooperative ventures.

The basic concept of a brand audit is to determine whether a business' resource strengths are competitive assets or competitive liabilities. This type of audit seeks to ensure that a business maintains a distinctive competence that allows it to build and reinforce its competitive advantage. What's more, a successful brand audit seeks to establish what a business capitalizes on best, its level of expertise, resource strengths, and strongest competitive capabilities, while aiming to identify a business' position and future performance.

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MARKETING STRATEGY

To achieve the desired objectives, marketers typically identify one or more target customer segments which they intend to pursue. Customer segments are often selected as targets because they score highly on two dimensions:

1) The segment is attractive to serve because it is large, growing, makes frequent purchases, is not price sensitive (i.e. is willing to pay high prices), or other factors; and

2) The company has the resources and capabilities to compete for the segment's business, can meet their needs better than the competition, and can do so profitably. In fact, a commonly cited definition of marketing is simply "meeting needs profitably."

The implication of selecting target segments is that the business will subsequently allocate more resources to acquire and retain customers in the target segment than it will for other, non-targeted customers. In some cases, the firm may go so far as to turn away customers who are not in its target segment. The doorman at a swanky nightclub, for example, may deny entry to unfashionably dressed individuals because the business has made a strategic decision to target the "high fashion" segment of nightclub patrons.

In conjunction with targeting decisions, marketing managers will identify the desired positioning they want the company, product, or brand to occupy in the target customer's mind. This positioning is often an encapsulation of a key benefit the company's product or service offers that is differentiated and superior to the benefits offered by competitive products. For example, Volvo has traditionally positioned its products in the automobile market in North America in order to be perceived as the leader in "safety", whereas BMW has traditionally positioned its brand to be perceived as the leader in "performance".

Ideally, a firm's positioning can be maintained over a long period of time because the company possesses, or can develop, some form of sustainable competitive advantage. The

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positioning should also be sufficiently relevant to the target segment such that it will drive the purchasing behavior of target customers.[6] To sum up, the marketing branch of a company is to deal with the selling and popularity of its products among people and its customers, as the central and eventual goal of a company is customer satisfaction and the return of revenue.

IMPLEMENTATION PLANNING

The Marketing Metrics Continuum provides a framework for how to categorize metrics from the tactical to strategic.

If the company has obtained an adequate understanding of the customer base and its own competitive position in the industry, marketing managers are able to make their own key strategic decisions and develop a marketing strategy designed to maximize the revenues and profits of the firm. The selected strategy may aim for any of a variety of specific objectives, including optimizing short-term unit margins, revenue growth, market share, long-term profitability, or other goals.

After the firm's strategic objectives have been identified, the target market selected, and the desired positioning for the company, product or brand has been determined, marketing manager’s focus on how to best implement the chosen strategy. Traditionally, this has involved implementation planning across the "4 Ps" of marketing: product management, pricing (at what price slot does a producer position a product, e.g. low, medium or high price), place (the place or area where the products are going to be sold, which could be local, regional, countrywide or international) (i.e. sales and distribution channels), and Promotion. Now a new P has been added making it a total of five P's. The fifth P is politics, which affects marketing in a significant way.

Taken together, the company's implementation choices across the 4(5) Ps are often described as the marketing mix, meaning the mix of elements the business will employ to "go to market" and execute the marketing strategy. The overall goal for the marketing mix is to consistently deliver a compelling value proposition that reinforces the firm's chosen positioning,

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builds customer loyalty and brand equity among target customers, and achieves the firm's marketing and financial objectives.

In many cases, marketing management will develop a marketing plan to specify how the company will execute the chosen strategy and achieve the business' objectives. The content of marketing plans varies from firm to firm, but commonly includes:

- An executive summary
- Situation analysis to summarize facts and insights gained from market research and marketing analysis
- The company's mission statement or long-term strategic vision
- A statement of the company's key objectives, often subdivided into marketing objectives and financial objectives
- The marketing strategy the business has chosen, specifying the target segments to be pursued and the competitive positioning to be achieved
- Implementation choices for each element of the marketing mix (the 4(5)Ps)

Figar.3: Project, process, and vendor management.

More broadly, marketing managers work to design and improve the effectiveness of core marketing processes, such as new product development, brand management, marketing communications, and pricing. Marketers may employ the tools of business process reengineering to ensure these processes are properly designed, and use a variety of process management techniques to keep them operating smoothly.

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Effective execution may require management of both internal resources and a variety of external vendors and service providers, such as the firm's advertising agency. Marketers may therefore coordinate with the company's Purchasing department on the procurement of these services. Under the area of marketing agency management (i.e. working with external marketing agencies and suppliers) are techniques such as agency performance evaluation, scope of work, incentive compensation, RFx's and storage of agency information in a supplier database.

Figar.4 Reporting, measurement, feedback and control systems

Marketing management employs a variety of metrics to measure progress against objectives. It is the responsibility of marketing managers – in the marketing department or elsewhere – to ensure that the execution of marketing programs achieves the desired objectives and does so in a cost-efficient manner.

Marketing management therefore often makes use of various organizational control systems, such as sales forecasts, sales force and reseller incentive programs, sales force management systems, and customer relationship management tools (CRM). Recently, some software vendors have begun using the term "marketing operations management" or "marketing

resource management" to describe systems that facilitate an integrated approach for controlling marketing resources. In some cases, these efforts may be linked to various supply chain management systems, such as enterprise resource planning (ERP), material requirements planning (MRP), efficient consumer response (ECR), and inventory management systems.

CONCLUSION

As is mentioned, modern marketing is a new concept that represents the needs and values of costumers and society, not just corporate and benefits. Companies seek their advantages and they do not care about basic principal that what kind of goals and values individuals and society have. Therefore, companies should be familiar with this modern and strategic principal and we must draw their attention to the aims and interests of the people and not just company's. It is possible by expansion of modern marketing concept and encouraging companies to replace it rather than the traditional way.

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