

## Marketing & Society

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**Marketing** in its new version is considered as a human activity involving creation, communication and delivering of values to the society.

Here in this paper I would rather project conceptually **marketing as an influencing force operating with in the society** than its relationship to the society.

*(It is something like the law of Inertia propounded by a physicist, Prof. Isaac Newton commonly known as Newton's 1<sup>st</sup> Law of motion. The Law states that an external force is required for a body which is either in the state of rest or in uniform motion to make some change in its path. So shall we call marketing as this **dynamic force** making changes with in the market or society?)*

### Conceptual Outline

**“Marketing” creates changes in the society. These changes occurred as a result of an external influencing force which motivates the members of the society in order to satisfy their needs and wants with maximum efficiency. It is a force which acts within the society as a chain reaction but it originates from an external entity sharing some common values with society and also has some unique values of its own and this entity shall be called as business.**

### Concept Theme

<p><b>IT IS THE CONSUMER (ENLIGHTNED CONSUMER) WHO DECIDES THE FUTURE OF THE SOCIETY'S VALUE SYSTEM AND THIS SAME CONSUMER INFLUENCES MARKETERS AND THEREBY THE PATH OF THE DYNAMIC MARKETING FORCE.</b></p>
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Is marketing a distinct school of thought or an entity of consumer, who is an essential part of the society? Marketing is that activity linking the business and the society in general and it is directed towards Society's and organization's growth through customer satisfaction.

In this paper I would like to clarify **the environmental factors influencing the marketer in taking or implementing marketing decisions**. In short it can be summarized as 'S-L-E-P-T' denoting S-Social, L- Legal, E-Economic, P- Political, and T – Technological. The terms “market” and “society” are the same in the global system. If not, then what is called a “market” where marketing activities takes place at the macro level? If the above said “market” and the “society” are one and the same then we should assume that those environmental factors affecting market would affect the society too. It is also noteworthy that these environmental factors are mutually interactive in nature.

**Social factors** – reveals the demographic profile of the market, social class profile, culture and sub cultural factors, family life cycle stages, religion and ethics. Consumer perception and the social class stratification will differ from place to place. Morality has shaped in a society with respect to its culture and religious values. As far as Indian market is concerned, the demographic pattern reveals specific consumption needs and these needs are being originated from the family influences and the various stages of family life cycle. Marketers are interested to learn and segment these variables and also try to identify the segment or the social class which they can serve well in the market.

**Legal factors** – reveals the new dimensions of law, rules, regulations that influence the marketer and the consumer today. Technically speaking today new laws, rules and regulations are originated not in the parliaments or such places, instead it is happening in the market place it self, which means that the conditions, stipulations or the contract itself is generally made by the marketers and then it will be ratified by the legislature system. The legal system across and

outside the market also have some influence in marketing. E.g. Patent Rights, W.T.O agreements etc.

Consumerism is an area relevant in this context. Consumer protection Acts passed by the legal authorities help consumers to ensure safety and minimum level of quality in the goods and services offered by the marketers.

Irrespective of the social sanction of a business, it's mandatory for all business concerns to get the legal approval from the competent authority. At times some business activities stop their functioning due to legal restrictions put on them or new regulations introduced by the legal system. Anti dumping duties imposed by many countries is the clear evidence of the legal intervention in market.

**Economic factors** - explains the economic conditions , interest rate , inflation, employment situations , purchasing power parity , demand & supply positions , EXIM policy etc. which affect the market decisions.

What ever be the consumer likes or dislikes, companies can operate in a given market place only when there is a favorable economic condition prevailing in the society / market place. Otherwise firms will face constraints to match their operations with the demand and supply conditions. Nowadays the above said economic conditions are not confined to particular business alone but affect the entire market place. These factors are uncontrollable by business firms as well as to the entire consumer community in total. Hence consumers should act as a representative of the society so as to take decisions which will yield long term results and strengthen the overall economic situation.

**Political factors** – influences the marketers in managing their internal as well as external resources. It leads to new opportunities and threats to the existing market as a whole. In a demographic system of governance, consumers and prosumers constitute the people who encourage certain ideologies and further the scope of formulating policies for the government. But these policies and programs are being formulated the government only after considering the overall needs and aspirations of the society. Here the society has a role to play by influencing the politicians for maintaining the balance in distribution of resources. A stable political environment helps the business firms to provide value to the society in a much sort after manner. Hence consumer's education or their enlightenment is very much required to produce better results for tomorrow.

**Technological factors** - stimulates the market in developing and creating value to the products and enhance productivity in all marketing efforts. Consumer knowledge and utility improvement helps marketers in achieving growth. Advent of better market information system influences the marketers and the society tremendously.

Technology is the technical means people use to improve their surroundings. It is also the knowledge of using tools and machines to do tasks efficiently.

Marketers use technology to organize the society in which they do business. Here by Technology means that a marketer uses knowledge, tools, and systems to make their business easier and better.

Marketers use technology to improve their ability to do work. Through technology, people communicate better. Technology allows them to make more and better products. Our buildings are better through the use of technology. We travel in more comfort and speed as a result of technology. Yes, technology is everywhere and can make life better. Hence consumers always seek better technology and there is an intrinsic desire among consumers as well as marketers to acquire newer technologies that can create value addition. An important point noticed here is that business people use technology, but technology need not be developed by business organizations alone. Further it may change from time to time, so organizations should have the adaptability to face any sort of changes in the technology.

## Role of consumer in the market place

It is difficult to imagine a society existing with out consumers. Even the manufacturers are acting as consumers in one way or other. Every member in a society is depended on other members directly or indirectly. Exchange activity will take place in every moment of life by the people in a given society. These exchanges are for the satisfaction of needs and wants of the people. Hence it is appropriate to call the members of a society as “consumers” or as prospective consumer referred as “prosumer”. Consumers are not identical and their needs and wants are also not the same.

Referring to the fundamental concept of behavioral science, we know – people are identically equal but they are individually different. Not all are motivated or attracted by the same factors. Some like excellent quality while many others compromise with slight changes in quality but may be very much sensitive on price. Some are emotional where some are very rational in taking purchase decisions. It will be interesting to search whether customers share any thing common in a boarder perspective.

### What customers share in common?

- Customers in the same market segment generally share a common need (basic – generic need)
- Customer’s needs and wants are unlimited; satisfaction of one need leads to another and so on.
- Customers share another characteristic that there will be an opportunity loss in every purchase of a product or services due to the characteristics mentioned above. In other words their resources are limited to satisfy all the needs.
- Customer is an essential element in any form of society; hence they share common values of the society.
- Every customer principally accepts --- ethical actions in their own terms of reference – no body wants to do unethical practices. It is a human trait that man desires to be ethical; not only in his private life but also in his business affairs
- Customers share a feeling that they are part of customer group or prospective customer’s group of any product or services. – a Self concept
- Customer’s exhibit post purchase behavior at various degrees and various forms. It serves as a feedback to marketers.
- Customers exhibit variety seeking buying behavior, or at least they believe that they always have the freedom of choice, even under the situation of high level of brand reliability.

Consumer play different role according to the different perspectives of the marketer. To some marketers they take simply a buyer role and for other marketers a consumer may act as an opinion leader or a brand ambassador. Word of mouth communication can be considered as an effective way of promoting brands.

Like marketing as a link between organization and society, we shall label Consumer as a link between society and organization. In other words marketer represents the organization and consumer represents the society. (Fig. – 1)

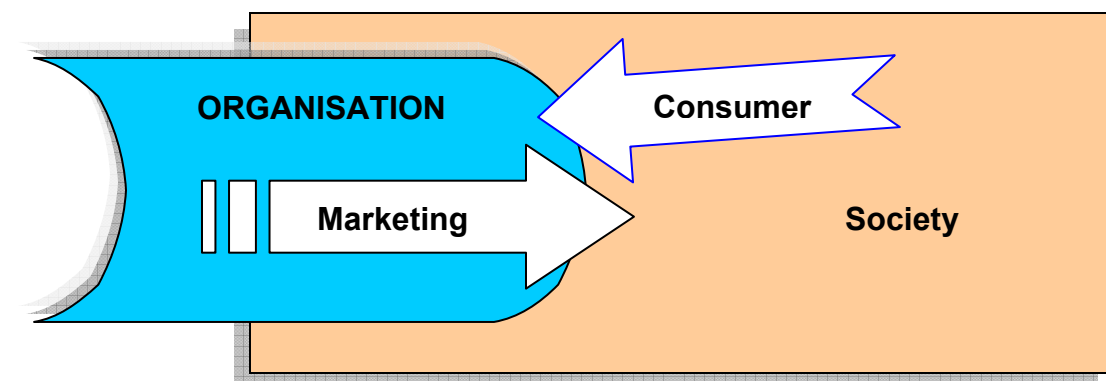


Fig. 1 – interface between marketing forces and consumer in a society

Marketers need to study the factors other than business influencing the society in bringing about changes. Marketers normally call those factors as uncontrollable variables. But here I wish to discuss the degree of influence of those factors governing the needs and aspirations of the society particularly in the Indian context. Let's examine the religious, ethical, cultural and the psychological (consumer behavior) factors which influence the ethical nature of the society.

There is an in balance in the distribution of natural and financial resources in the market place and also among the customers.

The need of marketing emerges when there is disequilibrium of resources. It is a fact that all the resources are not equally distributed; further the theory of competitive advantage leads the marketers to create better value for customers.

Shall we say in the marketing context, "World is continuously changing through a phase of a gradual transformation from an unprocessed , unorganized allocation of resources to a more systematic , organized allocation and distribution of resources in the form of production & supply of goods & services".

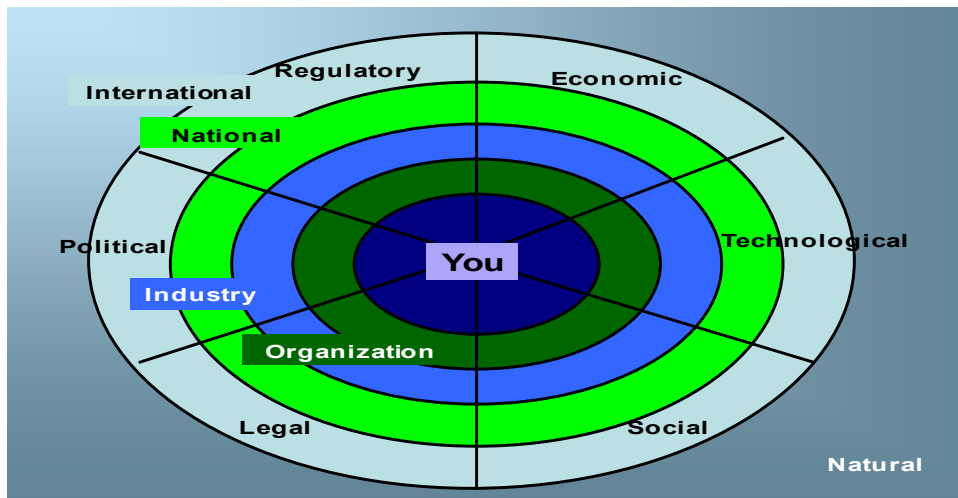
The needs and aspirations of the people in a given society are related to the ethical nature of the society.

The ethical nature of a given society is based on the set of standards and value system worked out from experience of people. "People" in marketer's perspective, is nothing but the customer or the "Prosumer".

Standards are set by the people and in turn by the society and these standards are based on the value system. The value system of a given market place is influenced by the cultural and religious background of its people.

Consumer research scholars need to focus their studies in the area of behavioral changes among customers that leads to the changes in the cultural pattern of the society. It is worth while to mention, the term culture in the society's perceptive - Culture is a set of values, rules and regulations transmitted through generations which anchor some behavior upon people in a given society.

It is not possible to set limits to cultural practices, of course there is a domain of culture in any society / market place. Nowadays the peripheries between organizational – industrial – national and international are disappearing. Hence the Environment affecting today's Business Decisions can be illustrated with the following diagram (Fig. 2),

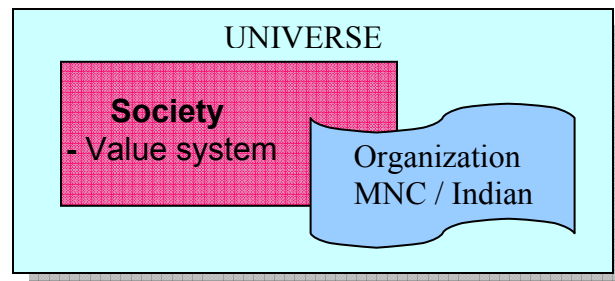


**Fig. 2 – The environment affecting today's business decisions**

### I would like to emphasis on two basic problems.

1. Who controls society?
2. Who controls marketing?

It is better to analyze how people perceive organization and the society. As per the modern view, organization and society share some common interest mutually. It is known as integrated view of business and society. Both cannot be separated fully where as in the classical view of Adam Smith, organization is considered as a unit completely a subset of the society and organization can exist only within the frame work of society which is not practical in the modern liberalized conceptual framework. Hence it can be concluded that both society and organization are separate entity but have something in common. Thus we should accept the concept ‘marketing and market are not the same even if society and market are the same (Fig. 3).



**Fig. 3 --integrated view of society & business**

‘Societal marketing concept Vs Competition’ is an area to be discussed in detail while answering the above questions. I am forced to describe the relationship between the three terms “Cost” – “Price” – “Profit” in the context of Liberalization –Privatization – Globalization and its effect on market decisions. As we know “Competition” is the child of privatization and globalization. In order to answer the basic questions asked, it is necessary for the firms (company) or the marketers to find ways of reaching the ideal cost at which the expected quality is to be created, communicated and delivered to the market segment where it has value equating the price fixed for the product. By doing this it is the social responsibility on the part of the marketer to ensure desirable minimum level of profit for its survival and growth. Making loss is considered “sin” not only in the perspective of marketers but also on the point of view of stakeholders in general. It is the corporate social responsibility of the firm to ensure profit while delivering value to the society. On the contrary making profits alone and not considering the societal values rather than individual values is also not advisable as it results in loss in the long run and also brings damage to the society.

Globalization calls for competitive pricing of products which in turn force companies to reduce the cost of sales. During this process of cost reduction strategies companies find difficulties in maintaining the desired level of quality not only in products but also in its related services. The degrees of societal orientation by the marketers are very much associated with the above competitive situation.

Marketing as a discipline has its own concern not only to the organization objective but also to the society/ market particularly with its existing and prospective customers. On the contrary many organizations do not realize the importance of marketing concept or focusing its entire activities with a marketing frame of reference. Marketing generally appears as a function of organization which exercises the entire marketing activity of the firm basically focused on the marketing concept. In normal practice marketers rely on the 4 P’s of marketing in goods and 7 P’s in services marketing. The success of their strategy depends on how effectively they segment – target and finally position their goods and services in the market place (Society).Marketers should always focus on an integrated marketing approach to identify and deliver value to the society.

Further, firms analyze and prepare action plan based on Company – Competitor – Consumer situations. Consumer as an integral part of society depends heavily on marketers to fulfill their needs and wants and always expect a desired level of output from the firm. Still the question remains unanswered - Who controls or influence Marketing & Society? and How much?

**In Societal marketing concept marketer takes an additional role in providing better output to the consumer by considering the societal values. An important point noticed in this concept is that, here the marketers assume that the role taken by them will be appreciated by the consumer in the long run.**

The basic theme of this paper tries to explain that apart from the societal marketing point of view, it is important to lay down a system that consumer understands the social role they need to play in the society. To achieve this goal, the level of consumer knowledge should be widened. At the same time marketers should think beyond the level of satisfying the needs and wants of the customers and search how consumers are developing their desires, what behavioral patterns affect their need recognition stages etc.

Another aspect which throws light on this concept is that marketing is only one force which acts upon the customers/ society among other environmental forces like Social – Legal – Economical – Political and Technological. The only difference is that these forces are not explicitly controlled by any single entity and also they are not an exchange activity like marketing. Today, though marketing is trying to manipulate changes in these factors (SLEPT) but cannot clearly control these forces which are again not always favorable to the marketers to have a full command on the society.

Ideally speaking marketer should exercise full command on the society by delivering unique values to the consumer (needs and wants at the expected level without any “GAP”) and expect the maximum value in return. At the same time Society shall also have a say in the marketing and influence its decision making process by consumers who represents the society. Society through consumer shall act with in the organization as “Prosumer”. To conclude Society can control marketing and in the same manner marketing can influence society.

**The Degree at which they influence mutually is highly depending on the following factors.**

- Interest and investment on both sides – marketer & consumer
- mutual trust and dependability
- transparency in operations
- societal marketing approach
- relationship building efforts
- grievance handling mechanisms & review / feed back
- adaptability to change
- positive involvement
- favorable environment forces (S-L-E-P-T)
- Uniformity in consumers / stake holders interest
- knowledge consumers
- global competency
- Communication – updating market information & Technology.
- Ethical orientation.

Hence organizations must make a continuous attempt to reduce the ‘GAP’ between ideal and actual output level by identifying the real needs and wants of the society. Marketers should also think beyond the societies expectations so that the over all value system of the society will be shaped in a favorable direction. On the other hand Society as an entity tries to influence the marketers / organizations to fulfill their needs and wants.

### **Findings & Conclusions**

1. Society has its own existence
2. No organization can exist without customers.

3. Organizations need not be a sub set of society; it may share some common features and values with the society.
4. Organizations emerge or enter into the society and have some relationship and responsibility to society – mutual dependence
5. Marketing need to attract consumers in the given society (Not vise versa), because of these marketing efforts, consumer's demand organization's goods or services.
6. Every organization essentially do marketing activity directly or indirectly OR influence explicitly or silently the members (customers) of a market (society).
7. Society had undergone changes due to influence of marketing and environmental forces but not inclined towards any organization.
8. Marketers and Society are separate entities, so organizations must perform in the society and consequently marketing should play a dynamic role (force) with in the society to get loyal customers.
9. Changes in the society can be due to the changes created by the marketing efforts of the firms upon the customers of a given society.
10. It is the social responsibility on the part of consumer to drive their needs and wants in a constructive path to add value to the social system.
11. Apart from Society, the marketers should also think of a role to develop constructive behavior among consumers in shaping better value system.

### **Major Finding**

**Hence, it is concluded that the Consumer as a representative of society joystick marketing activities of an organization. On the other hand marketing influence society towards a change to be always favorable to the organization. Society on every moment receives stimuli from business organizations and these cues produce some impact on the overall value system of the society. But it never addresses or guarantees any sort of value addition in the society.**

### **Suggestions**

#### **1. Effect / Impact of Customer Enlightenment in Society**

**It is a good start that all customers – (members of a given society) are well aware about the worthiness of their needs and wants through customer enlightenment.**

Customer illumination leads to “TRUE” MARKET DYNAMISMS by the organizations which in turn add value to the social system of the “CUSTOMER -COMMUNITY” in the long run.

Why this new approach is required? What are the advantages?

Customer enlightenment will result in the following-

- It will reduce cognitive dissonance
- It will reduce wastages and thus reduce cost
- It will curtail unhealthy competition
- Increase value and trustiness
- Reduce marketing expenditures
- Constructive changes in the society.
- High customer bargaining
- A constructive “compromise effect “among the customers.

#### **2. Role of Govt. in Imparting Customer Enlightenment Programs**

- ✚ Referring to the customer characteristics mentioned earlier, some external agency interaction is necessary to impart knowledge to the customer community.
- ✚ Special education program for rural consumers, which can be implemented by creating self help groups or appropriate information centers at major localities.
- ✚ Information is the most vital facilitator for taking appropriate decisions
- ✚ Usage of IT industry in imparting knowledge
- ✚ Govt. should take steps to avoid any element of bias in the process of dissemination of information

### **3. Role of Organization In Building Up Ethical Values In The Society**

Should marketers promote or consider customer enlightenment? And how they are going to benefit out of it?

The answer is yes, since the existence of the organization in the long run is based on the societies overall growth and development in the value system. Assume that society is growing rapidly but if there is no development in the value system, then the majorities expectations will differ, there will be imbalanced demand and supply situations, potential emergence of new evils of society and there will be uncertainty in the law and order situations, economic downfall, inflation, all unethical practices will govern the modern society such as discrimination, corruption, polluting environment, nepotism etc. etc.

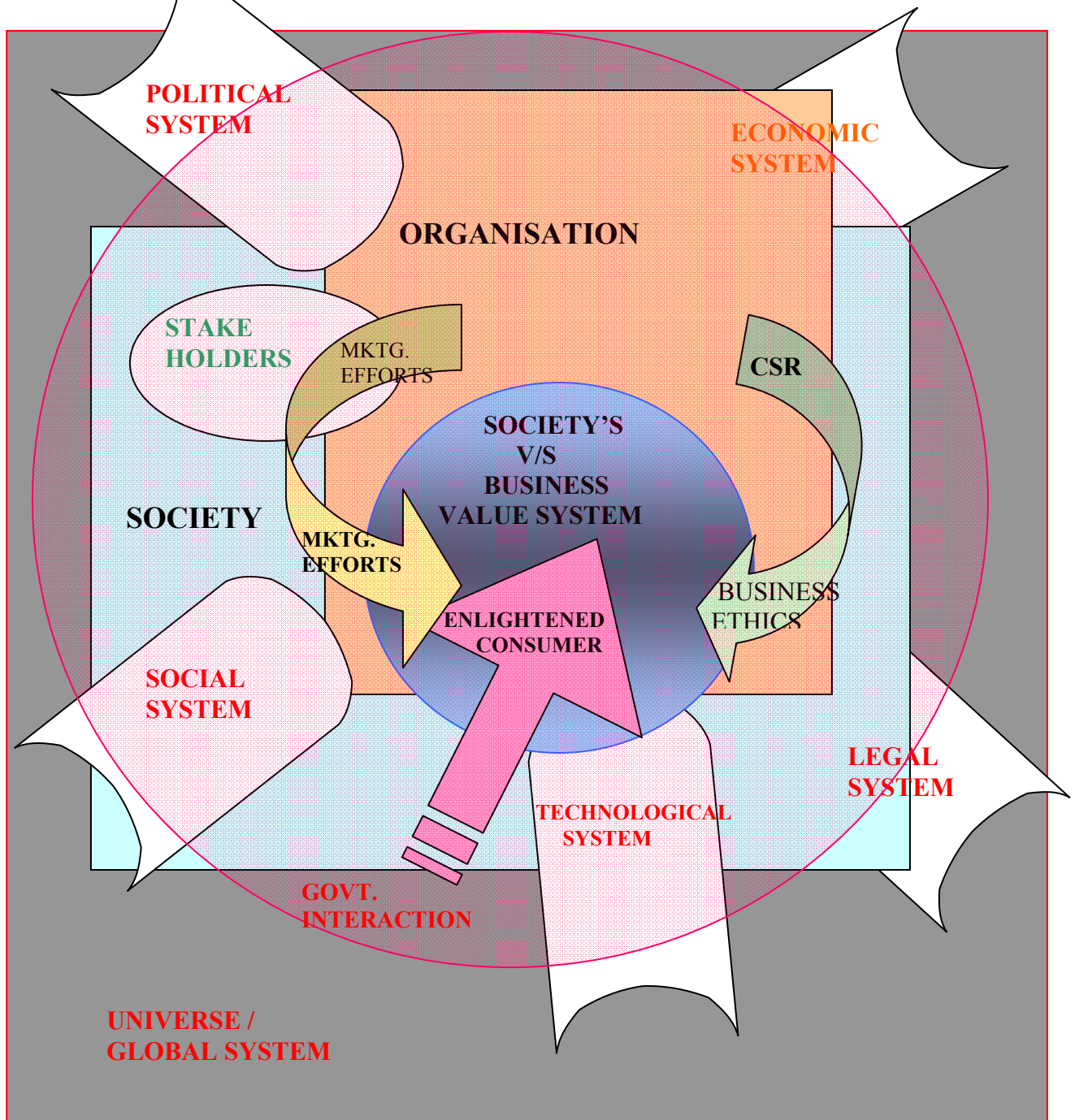
If organizations seriously think about its Corporate Social Responsibility of business and implement it with a social orientation, no doubt it shall uphold and nurture a favorable environment for sustainable growth in business.

The decision maker is the consumer, but organisations can play a vital role to influence the consumer by empowering them towards a value system which will strengthen the over all goodness and healthy environment in the society.

If organisations successfully implement its marketing efforts along with some consumer enlightenment programs as part of its corporate social responsibility the over all business ethics thus created would contribute some thing constructive to the society's value system and beneficial to its stake holders which in turn brings loyal customers to the firm in the long run.

Hence fine tuned (enlightened) customers are an asset to the society's morality. What ever be the changes in the environmental variables an enlightened customer will think in terms of society and always consider their purchase decisions favorable to those organisations which contribute something creative to the society. Fig. 4 shows a model of consumer interaction with an organisation in a given society and the various forces acting upon the consumer and the society.





**Fig. 4 – a model of consumer interaction with organisation in a given market environment**

Society is a part of the universal global system and organization emerge as a distinct entity in the society but not fully a subset of the society. Environmental factors influence the society and the organization at various levels. Consumer is an essential ingredient in the society has to be enlightened by the organization and other bodies of the society which will enhance the over all value system of the society. Hence it is the responsibility of the society and the organization to build up an ethical environment for a continuous and sustainable growth.

**Let's sum up—  
CONCEPT THEME**

**IT IS THE CONSUMER (*ENLIGHTNED CONSUMER*) WHO DECIDES THE FUTURE OF THE SOCIETY'S VALUE SYSTEM AND THIS SAME CONSUMER INFLUENCES MARKETERS AND THEREBY THE PATH OF DYNAMIC MARKETING FORCE.**

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