

Business Line

INTERNET EDITION

Financial Daily from THE HINDU group of publications

Friday, October 02, 1998

[| Next | Page One](#)

[Catalyst](#)

The Evolution of Marketing

[Corporate Opinion](#)
[Stocks](#)
[Money](#)
[Agri-Business](#)
[Commodities](#)
[Freight](#)
[Catalyst](#)
[News](#)
[Info-Tech](#)
[Pocket](#)
[Banking & Finance](#)
[Marketing](#)

[Index](#)

Date: 02-10-1998 :: Pg: 22 ::
Col: a

M.J. XAVIER

It is always interesting to look at history to understand the evolution of any subject.

Marketing as a subject may be of recent origin, but as an activity, it dates back to the early days of human civilisation. The marketing of the early civilisations is termed 'primitive marketing'; It basically refers to the barter system. Then trade developed with the invention of money. The Industrial revolution made it possible to produce products of uniform quality in large numbers, leading to mass marketing. The formal marketing as we know it, started with psychologists helping marketers to manipulate customers to their advantage. Then it became a discipline with its 4Ps and the STP model, which basically emphasised the need for segmented marketing.

Then came value-based marketing, which emphasised offering better value to customers' money, by constantly improving the quality of products and services offered to customers. Simultaneously, the developments in business-to-business marketing and services marketing emphasised the need for developing long-term relationships with customers. This new paradigm emphasised the need for customer retention through



relationship building. Another variant of the same, is emerging as one-on-one marketing, that emphasises relationship customisation at the individual level. In sum, we have come back to where we started: primitive marketing.

Primitive Marketing

Marketing is one of man's oldest activities. From the time man started producing more than he needed, exchange also started. The man who produced excess grains exchanged them with the man who had excess clothes, mud-pots or shoes. In this barter system, the parties involved in the exchange, knew each other's requirement. This we call primitive marketing.

As man acquired skills to produce agricultural goods in large quantities through new inventions in farming, he had difficulty in finding people who would buy his entire produce. Also, he did not have sufficient place to store them. Then came the middlemen or the traders. The middleman came to fill in the space utility and time utility. He performed the storage function for his customers as well as suppliers. He also supplied material to his customers as and when they needed.

The invention of money led to the greater development of trade. Prior to that, deciding on the exchange rate between a multitude of products posed a great problem for traders. With money serving as the common denominator for all commodities, trade flourished further. In some sense, we are trying to capture the essence of primitive marketing in its most modern form in the electronic barter system, which we shall see later.

Mass Marketing

Then came the industrial revolution. Man started producing goods of uniform quality in large numbers, with the help of machines. This, coupled with developments in transportation, enabled the formation of mass markets across the world. Mass marketing offered greater value to customers' money

as products of high quality could be produced at low costs. However, it did not offer a great many variety to customers.

After a while, even these mass produced 'quality' products faced difficulties in the market place. When manufacturers in the US were faced with the problem of huge inventories of products which were not needed by the customers, they started focusing their attention on the buyers as to why they buy, how they buy and so on. This happened immediately after World War II, when there were no marketing theories to explain product failures in the marketplace. Since psychology deals with the study of human behaviour and it was a somewhat well developed subject then, the task of probing the consumer was entrusted with the psychologists. But there were two schools of thought in psychology - the Freudian School and the Skinner's or the Pavlovian school. Subsequently anthropologists, sociologists and even management scientists started studying the behaviour of consumers.

The Motivation Researchers

The Freudian concept used the constructs of drive, motivation, belief and values. These people were called the motivation researchers, who emphasised both conscious and unconscious motivation of consumers. They tried to explain all kinds of behaviour, right from dreams to the accidental breaking of a dish or the purchase of a particular brand of toilet soap using the individual's psyche - id, ego, and super-ego. A very simplified explanation of these three terms : The id is the animal instinct with which we are born. Left to ourselves, we would probably behave like uninhibited animals. The super-ego represents the societal restrictions imposed on us from our childhood days, which suppresses some of the basic desires. The ego is the mechanism which balances the two opposing forces, id and the super-ego. If this balance is lost, either due to excess id or due to excess super-ego, people become mental patients according to the Freudian concept.

The people who use the Freudian concept to study consumers are motivation researchers, because they probe the buying motives. They typically see consumers as bundles of day-dreams, hidden yearnings, guilt complexes, and irrational emotional blockages. Hence, according to them, people satisfy some of these suppressed desires by socially acceptable products. Some of their findings about the motives of consumers for buying products are startling and are valid even today. (Vance Packard - 1981)

On Shaving. In one of the surveys to find out the shaving habits of people, randomly selected adult male respondents were asked a series of questions, like: * How often do you shave? * How do you feel while shaving? * Why do you shave? etc.

Most of the respondents felt that shaving was a daily chore which they did not like. Those who said that they did not like the act of shaving were given the option of using a newly developed cream which would remove hair once for all. However, only two out of the entire sample of 1000 respondents offered to try the cream. When these two were probed further as to why they agreed to try the cream, they explained that it was all right with them as they had enough growth on their chest!

For some men, the act of shaving, is seen as symbolic of the act of castration. Hence it is not wise to show the act in advertisements for blades. Rather a woman is shown, feeling the cheek of a man, thereby bringing in the concept of being attractive to the opposite sex.

On smoking. Smoking is done to satisfy the primary impulse and need for oral comfort. Smoking in general, serves to relieve tension, impatience, anger and frustration, just as sucking does to the infant. This explains the widespread use of chewing gums, cigars, pan masala etc. which is prevalent among different races across the world.

On selling soaps and detergents. Many housewives feel they are engaged in unrewarded and

unappreciative drudgery when they clean. The advertiser should thus foster the wife's feeling of 'worth and esteem'. His advertising should exalt the role of housekeeping - not in a self-conscious, stodgy way - but by implying that it is a matter of importance and pride to be a good housewife.

On why people brush their teeth. People are motivated by differing reasons, based on their personality. Some people, particularly, hypochondriacs, are concerned about germs and are swayed by a 'decay' appeal. Another group, mostly extroverts, brush their teeth in the hope that they will be bright and shiny. The majority of people, however, brush their teeth primarily for a reason that has little to do with dental hygiene or even teeth health. They simply do it in order to give their mouth a thorough purging, to get rid of the bad taste that has accumulated overnight. In short, they are looking for a taste sensation, as a part of their ritual of starting the day afresh.

Why old women like gardening. Because gardening gives older women a chance to keep on nurturing things after they have passed the child-bearing stage.

Why women buy make-up items. A woman first of all wants to be able to look approvingly at herself and feel assured that she is fully feminine. Secondly, she wants the approval of other women. Approval of the male - as typified in advertisements by the admiring glance of a romantic-looking male - was found to be the least effective way of the three to sell make-up items. Simply showing a woman with the make-up items in a full-length mirror, is very effective.

Why cone ice creams are popular. People like to sink their teeth right into the ice-cream and get the full taste of it.

Symbolism of soup. Soup is unconsciously associated with man's deepest need for nourishment and reassurance. It takes people back to their earliest sensations of warmth, protection, and feeding. Its deepest roots may lie in prenatal sensations of being

in the mother's womb.

On colours to be used for packaging. Red and yellow are helpful in creating hypnotic efforts. A woman's eye is most quickly attracted to items wrapped in red; the man's eye to items wrapped in blue.

On instant foods. A woman is very serious about baking a cake because unconsciously, she is going through the symbolic act of giving birth. She dislikes easy-to-use cake mixes because the easy life evokes a sense of guilt.

In another occasion when instant coffee was first introduced, there was a tremendous resistance from consumers. In order to find out the underlying problem, the researchers constructed two identical shopping lists, with the only change being that the shopping list I had 'ground coffee' and shopping list II had 'instant coffee'. These two lists were given to housewives and they were asked to comment on, "what type of housewife would have prepared the two shopping lists. They invariably said that shopping list I was prepared by a good, home loving, caring housewife while the second list should have been prepared by a woman who spends most of her time outside home. A woman who does not care for her husband and children. This clearly established the personalities people associated with product use.

In an experiment where the author was involved, half the subjects were served Scotch Whisky from a cheap whisky bottle and the other half was given cheap whisky served from a Scotch bottle. In the interview conducted next morning, the first half complained of headache and hang-over; the other half, who actually consumed the cheap stuff, narrated their happy experience and reported no hangover. Of course, one or two connoisseurs of whisky were able to find out the difference. When consumers cannot distinguish the quality of one brand from another, they latch on to premium brand names. When the products consumed are not essential items, then psychological factors such as prestige, lifestyle, premiumness and the like become more important when it comes to choice of a brand.

Consumers who smoke costly cigarettes in offices and in social gatherings, have been found to smoke beedis at home!

Hence, people do not mind spending more money on products that are exhibited, such as a watch, a pen or a cigarette lighter but would settle for economy products that are used indoors. On the whole, any study of human behaviour is bound to be complex and marketers, particularly, need to develop skills in understanding the motives of consumers, in order to be successful.

The Learning Theorists

The second approach is that of the Skinner's or the Pavlovian school represented by the learning theorists. These people use the approach of reward - reinforcement concept to learning. They believe that the entire behaviour of human beings is learned. As a child grows, through a system of reward and punishment, we make the child learn good behaviour. The famous Pavlov's dog was conditioned to respond to a bell. A Dolphin could be trained to kiss a trainer, a monkey to jump around and salute people, a dog to sit and beg, and so on. They extend the same concept, to train human beings to make them use a particular brand or a product. Why do people like beer? It is a learned behaviour. We see the restlessness in smokers if they go out of stock of their favourite brand of cigarette at night when all the shops are closed. It is again the effect of conditioning, which the marketers are able to achieve through their repeated ads.

The 4Ps of Marketing

The manipulative mass marketing came under severe criticism by several activists. As a reaction to that, the marketing concept got defined as identifying and satisfying the needs of consumers (as opposed to manipulation). Also, attempts were made to integrate the theories by psychologists, sociologists, anthropologists, economists and statisticians to develop an integrated framework for the study of marketing.

The concept of marketing is not a new invention, which simply says that a company should understand the needs and wants of the people and satisfy them. This is certainly known to a number of people who have not even read about marketing.

The marketing concept has been expressed in many colourful ways. (Kotler -1986).

"Find wants and fill them"

"Make what you can sell instead of trying to sell what you can make"

"We have to stop marketing makeable products and learn to make marketable products"

"Love the customer and not the product"

In essence, the marketing concept is a customer's needs and wants orientation backed by integrated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals.

The marketing concept expresses the company's commitment to the time honoured principle in economic theory known as consumer sovereignty. The determination of what is to be produced should not be in the hands of the companies or in the hands of the Government, but in the hands of consumers. The companies should produce what the consumers want and in this way maximise consumer welfare and earn profits.

(The author is a Fellow, IIM Calcutta, and a former Professor of IIM Bangalore. He is currently with the Academy for Management Excellence, Chennai. Feedback may be e-mailed to him at mdsaaa91@giasmdOl.vsnl.net.in)

[| Next | Page One](#)

[Corporate](#) | [Opinion](#) | [Stocks](#) | [Money](#) | [Agri-Business](#) | [Commodities](#) | [Freight](#) | [Catalyst](#) | [News](#)

| [Info-Tech](#) | [Pocket](#) | [Banking & Finance](#) |
[Marketing](#) | [Index](#) |
