

EVOLUTION OF MARKETING: FROM PRODUCT UP TO EMPLOYMENT

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Abstract: *Although the marketing concept is relatively long, yet not all companies facing the market, or finding ways to increase customer satisfaction, but they often turned to their own needs and possibilities of making the decisions on outdated concepts in formulating their business philosophy. However, more frequent changes of conditions in the global marketplace are forcing participants adjust to the changes in business philosophy with a focus on creating stronger and longer-term relationships with customers. After a brief consideration of the characteristics of previous concepts of marketing, this paper will present the current trends to develop marketing that are connected to each other and largely based on modern information and communication technologies. In this context, we emphasize the importance of relationship marketing as a concept that enables new market opportunities.*

Keywords: *Customer relationship management, holistic marketing, relationship marketing, information and communication technologies, model 40*

1. INTRODUCTION

The concept of production is one of the oldest concepts in business, which assumes that consumers want the products and services that are inexpensive and available. Mass distribution, high efficiency and low costs of production are the basic principles of this concept, the application of which makes sense only in developing countries like China, where companies use cheap labor to dominate the global market. In contrast to this concept, product concept counts on innovation, performance and product quality as a core competitive advantage that should attract consumers. The problem of this concept is that new or improved product and may not be successful in the market because in spite of proper pricing, distribution and promotion of good can be on the market that does not need or that he cannot produce sufficient customer satisfaction. "It is necessary to analyze the customer, the way in which he uses the product and how it fits in his system of consumption."¹

The concept includes aggressive sales promotion and sales efforts in order to sell more goods and is usually applied to products and services that are not required when the manufacturer has non-engaged excess capacity. The problem with this concept, similar to the above concepts, is that it tends to sell what is produced rather than to produce what the market wants.

Because of the obvious shortcomings mentioned business philosophy, there was a need to create a new concept at the center of their attention has market and consumer needs as a goal of creating superior customer satisfaction is recognized for its customers. At the same time, market trends, especially in the field of information and communication technologies allow marketers to find new opportunities to increase customer satisfaction and create long-term good relationship with them and other participants in the chain of distribution values.

¹ Dr Stefanovic S., et al., *Management and Industrial Design*, "TOM" Centar, Zrenjanin, 2010, pp.53.

2. TRADITIONAL MARKETING CONCEPT

Marketing concept believes that organizations should strive for greater efficiency compared to its competitors when it comes to communicating, creating, and delivering greater value to consumers in selected target markets. Many researchers have found that companies that embrace the concept of marketing do better in the market, which confirms its validity. [4] Marketing is a complex process that requires the formulation of appropriate methodology and approach to the strategy of attracting customers.² In the early 20th century, marketing becomes a scientific field that is developed by considering the problem of distribution and marketing are the educators of the fifties and sixties primarily engaged in marketing techniques, while the later focuses on the marketing philosophy that deals with business in general. [3] Marketing is in its development received wide range of tools, techniques and models that help companies to make marketing plan in order that their organizations deliver superior value to customers. In the later stages of development in order to cope with the limitations of traditional settings theorists have defined two types of marketing models of behavior:

- monitoring of the market (market-driven)
- managing the market (market-driving)

The traditional marketing concept insists on exclusive meet identified customer requirements and market. If the organization does not take pro-active action will quickly fall into the tracking model that considered the market structure and market behavior as given on the condition that cannot be affected (Figure 1).

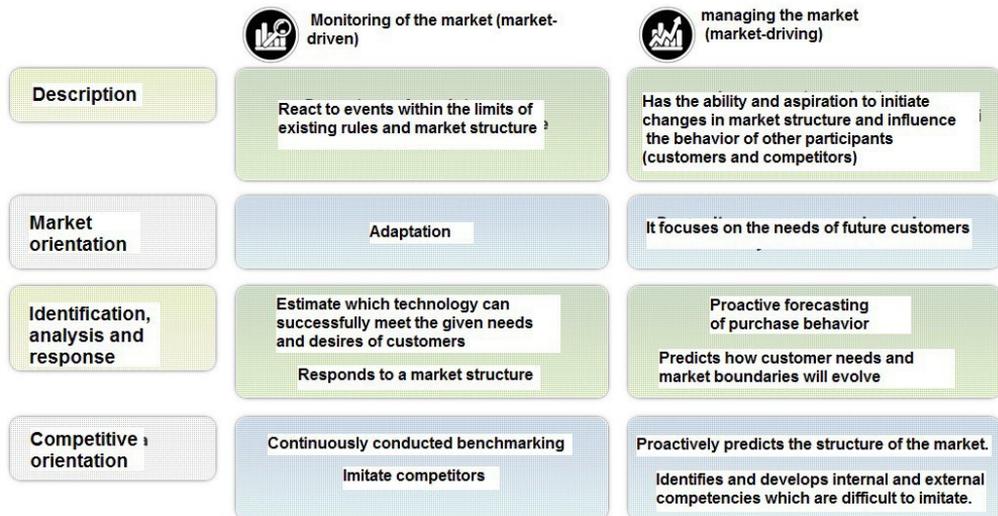


Figure 1: comparative analysis of two models [2]

Managing the market tends is aimed to pro-active action or exercising influence on the characteristics of the market and an upgrade of the traditional concept of marketing. In Figure 1,

² Kastratovic Edita, Denysiuk Volodymyr, „Marketing Principles and their Application in Sport Management“, *International Journal of economics and law*, Vol. 1, No. 2, FORKUP, Novi Sad, April 2012, pp. 52.

we see that this model promotes the development of competencies that are difficult to imitate and that definitely include the concept of customer relationship management (customer relationship management - CRM).

3. HOLISTIC MARKETING

The concept of holistic marketing as an important area of evolution of marketing concept emphasizes the interdependence of the effects of marketing programs, processes and activities. Interdependence leads to the conclusion that every important aspect of marketing that is often required broad and integrated perspective. As the basic elements of holistic marketing are integrated marketing, internal marketing, social marketing and responsible marketing relationships (Figure 2).

Integrated marketing, following a holistic setting, emphasizes the coherence and mutual impact of integrated marketing programs and activities shaped the marketing mix. The starting positions of integrated marketing are:

- That many marketing activities serve trade and delivering value
- That all marketing activities must be coordinated to maximize their joint effects

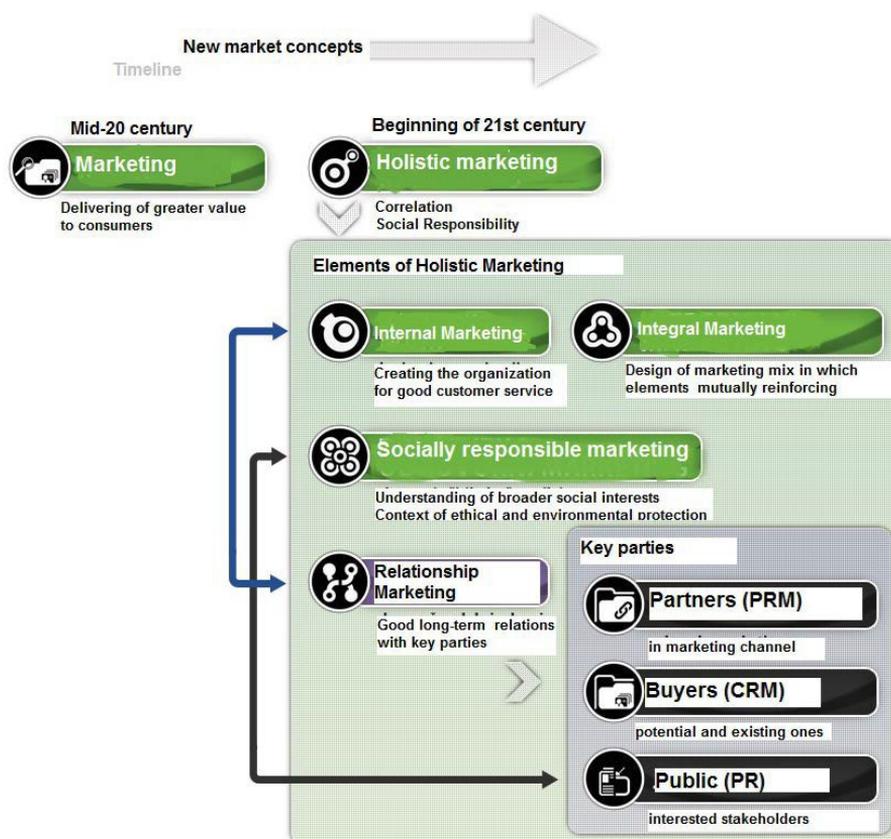


Figure 2: The development of modern marketing concept and marketing place of relationship in holistic marketing

Internal marketing ensures the acceptance of appropriate marketing principles throughout the organization recognizing that marketing activities within an organization can be of equal importance as well as activities that are directed outward. Attracting suitable staff and maintaining good long-term relationships with them, is the basis for building an internal marketing. [6] The task of this element of the holistic marketing to recruit, educate and motivate skilled people who want to serve customers well. The purpose of internal marketing is to ensure that staff of the organization is capable and ready to provide outstanding service that is promised through promotional activities and other forms of communication with the market.

Acceptance of socially responsible marketing is a natural consequence of the holistic worldview that requires understanding of the wider interests and ethical context of marketing activities. Respect for these principles often leads marketers in a difficult situation in which they must resolve the conflict between respect for the wider social - public interest, to fulfill customers' desires, and realizing the company's profits.

4. RELATIONSHIP MARKETING

The evolution of the science of managing the production flowed from concept to relationship marketing (relationship marketing - RM). The concept of RM is excluded from the scope of the concept of holistic marketing environment in which it was analyzed. The merit of his separation and separate treatment can be found in the development of modern information and communication technologies in their environment creates many opportunities and resources to develop good relations with customers and other stakeholders, and key parties in the supply chain value.

Separating the concept of relationship marketing and finding possibilities for achieving differential advantage in this field has become inevitable given the increasing intensity of competition at the global level. In this context the recent decades involves the exploitation of modern information technology in so far as to determine the particular situation. Application of these technologies in the marketing activities that can create some advantages for the participants in today's market, but it is certain that their absence creates a great risk for the overall operation and survival. By moving the idea of integrated marketing to develop good relations with key parties, relationship marketing is a logical stage in the evolution of marketing to be implemented in accordance with the appropriate utilization of current information and communication technologies.

Defining key pages, we can extract the most important categories with which to establish good long-term relationships. The authors define the field of different models of key aspects of relations with foreign number from two to several tens of elements. However, many models can make a rational consideration of the overall relations of the organization. However, following the existing literature, primarily in line with previous research, the author, in this paper can be described in four categories, which we interpret in the framework of the model 4O. Thus, the model is defined by allocating 4O key pages as the optimal framework for the further consideration of the concept of relationship marketing as related groups into logical units that correspond to practical experience and when it starts from already existing ideas.

4O models consist of the following categories of relations:

- Relationships with customers - Customer relationship management (CRM);
- Relationships with partners;
- Public Relations;
- Relations within the organization

As most analyzed relationships are noted for their relationships with customers, which in some interpretations are used as a synonym for the concept of relationship marketing. However, in this model, they represent only one foreign key, because today's market conditions warrant consideration of mandatory marketers and other relationships that are listed here.

5. CRM IN AN ENVIRONMENT OF INFORMATION AND COMMUNICATION TECHNOLOGIES

Customer relationship management should be realized within the concept of relationship marketing, which, as already said, is aimed at creating long-term relationships with key parties to the model we separated through 4O model. CRM includes applications based on information technologies that integrate information about the company's customers with the knowledge of how to use this information to effectively create and maintain mutually beneficial long-term relationship. [5] Thus, CRM is focused on creating and maintaining long-term relationships with customers whereby relies heavily on new information technology and internet services. Precisely because of the development of these technologies in recent decades, the concept of CRM is gaining importance, primarily in the context of evaluating the potential for realizing the potential competitive advantage. Therefore, the CRM can be viewed as a relatively new concept that started in a scientific and professional public at the end of the last decade of the twentieth century, in parallel with the development of information systems for asset management companies (enterprise resource planning - ERP). [1] Because of the time and technological environment in which the concept originated, most authors believe it is very difficult to separate the eCRM (electronic customer relationship management) of CRM, it is virtually impossible to imagine the realization of this process is complete or at least mostly not based on new information technologies and Internet services.

Determining the relationship between CRM concepts and advanced information and communication technologies, we logically set the concept of marketing relationship in the surrounding of the same technologies. Like CRM and relationship marketing is a concept that has gained much greater significance of the emergence of advanced information and communication technologies. It can therefore be interpreted in the context of traditional marketing, but its contribution is still much higher than the occurrence of these technologies. In this sense, it is often said that although these technologies have created a marketing relationship, they have it changed and improved significantly through optimization and automation.

Thus, although the ideas that are an integral part of CRM concept existed previously under other names, information technology and promote its implementation led to a rapid expansion of CRM software. The importance of information technology for CRM authors explain the essential similarity of these two scientific fields that are based on a wide range of communication forms. Prerequisites CRM IT development is a consequence of the fact that no information means any practical and technically impossible to manage such a wide range of information about each customer and transform that information into useful and applicable knowledge.

The process of implementing CRM can be viewed through four main phases: identification, differentiation, interaction and adaptation. Identification involves identifying potential and real customers with a need to make a selection of those which by their potential merit special monitoring. After selection of the primary customers create a database that is regularly updated and supplemented by information collected through all channels and touch points with customers. Differentiation of identified consumers is based on two criterions - the perceived

needs of customers and the value that the buyer has for the company. Interactions with individual customers, as the third phase of the CRM, to obtain more information on their individual needs in order to create closer ties with them as a result of which should have the customization of products, services and messages to customers.

6. CONCLUSION

Maintaining relationships with customers and extend its life becomes the main goal of the modern concept of marketing due to strengthening the competitiveness of the market which leads to a permanent reduction in the average duration of such a relationship. In the earlier concepts of marketing are giving too much attention to attracting new customers while maintaining existing relationships neglected. RM and CRM promote the cooperation of market actors as a basis of operations of the company in the market, which faces opposition from traditional marketers and political concept of liberal capitalism, which is considered too large to co-operation leads to the collapse of the market and regulatory forces that only full competition can solve all the problems of society and economy.

A new marketing concept encourages cooperation between buyer and seller, and is easy to see how on the modern B2B markets, customers often require some innovations, upgrades, and sometimes changes in the sales and distribution in accordance with their needs. In this situation, the seller has much better and timely information based on which can adapt its performance on the market.

The development of information communication technologies in recent decades has opened new ways of building relationships with customers, but also with other key parties in this paper, we extract the model 4O. Interpretation of the relationships through this model, the importance of building relationships with employees, partners and the public equally and customer relations is emphasized. The previous theoretical discussion of this topic are especially emphasized the importance of managing relationships with customers, but how the market is increasingly competitive, it is necessary to find new ways of business development. The use of modern information and communication technology has become imperative for all participants who want to survive in today's market, while finding the right ways and measures of their efficiency is a major challenge for marketers in the field of relationship marketing. Apart from the possibilities offered by modern technology and limiting factors are the result of growing competition, the processes of transition, globalization and deregulation have helped dissemination of modern marketing concept and the concept of relationship management.

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