Marketing in manufacturing company

Anna Kowalczyk
Faculty of Management, Czestochowa University of Technology,
19 B Armii Krajowej Str., 42-200 Czestochowa, Poland
E-mail address: annkow07@wp.pl

ABSTRACT

Activity of manufacturing companies is based on managing the resources and relations with contractors and customers. In this last case marketing is important. Without the respectively selected marketing instruments and elaborated schemes and standards of conduct, companies would not have a chance for survival in the market economy. Production of goods is not done with the sole purpose of gaining company’s profits, but it is simultaneously oriented on satisfaction of customers needs, and according to this one cannot exist without another. The purpose of this papers is rationalization of knowledge about marketing in manufacturing companies in the field of sustained growth [1].

Keywords: marketing, production company, sustained growth, management

1. SUSTAINED GROWTH

The sustained growth term has been commonly used in many fields of life all over the world. As a matter of fact, the sole economic growth was not sufficient. Despite the efficiency and industrial/economic productivity and resultant financial return, there is currently strong emphasis on the care for environment and society. Concentration on the productivity growth has many times led to contamination of environment and subjective losses sensed by the society. Sustained growth is a term very often seen in the literature. It is strategy for development enabling the management of all resources, such as: human resources, natural resources, as well as finances and assets and growth of long-term welfare and wealth [2]. Many updated definitions for sustained growth can be currently found. Sustained growth on
the Earth is a growth, that satisfies basic needs of all humans and preserves, protects and brings back the health and integrity of the Earth’s ecosystems, without impediment to the satisfaction of needs of future generations and without breaching the long-term limits in the Earth’s ecosystem capacities. Sustained growth - social and economic growth, in which the integrating process for political, economic and social actions commences, with preservation of natural balance and stability of basic natural processes, oriented on guaranteeing the satisfaction of basic needs for particular societies or citizens, both in current and in future generations [3].

2. MARKETING IN MANUFACTURING COMPANY

Concept of responsible marketing is oriented on detecting the customers needs and providing the response with proper and respectively priced product, in order to grant proper value to purchaser and leave the manufacturer with profit. Marketing attitude is philosophy of serving to customer and creating mutual benefits. Its application guides the economy with invisible hand in such a way, that changing and numerous needs of millions of customers are satisfied. When customers know much more about the practices of companies and when customers are increasingly troubled with protection of environment, testing on animals and human rights, the need for social responsibility and profound ethics in the marketing is of fundamental importance, when satisfaction of customers needs is the goal. The way in which companies behave in broad sense, starts influencing on the recognition of theirs products and services [4].

Marketing specialists must make very hard decisions, when they have to choose between, on the first hand, the profitable service provided to customer, and on the other hand, keeping the proper compliance between the customer’s needs and demands and social welfare. In the following part of this papers marketing in social context, need of justice, social responsibility and ethics, as well as dilemmas of people who are responsible for marketing are elaborated [5].

According to the philosophy of enlightened marketing, in which the sustained growth and high quality of social life are taken into account as superior goal, the company’s marketing should be used for the best and long-term operation of marketing system. Enlightened marketing comprises of [6]:

- marketing focused on the consumer,
- innovative marketing,
- marketing of value,
- marketing based on the mission,
- social marketing.

Marketing focused on the consumer means that company sees and organizes own marketing actions, with regard to consumer’s point of view. Company should sense, serve and satisfy the need of settled group of customers.

Innovative marketing is being guided with thought, that company should permanently search for real improvements in products and marketing. A company that omits new and better methods of action, can finally loose own customers on behalf of other company that found such methods.
In turn, in marketing of value it is stipulated, that company should direct the majority of own resources on the marketing investments creating the value. Many activities in the marketing framework - single sales promotions, small changes in the packages, overblown advertisement - can increase the sales in short term, but it adds less value when compared to real increase in the quality, performance parameters or convenience of product. Enlightened marketing stands for building the long-term loyalty in customers with means of permanently increased value, that customer obtains from company’s marketing offer [7].

Marketing based on the mission means that company should define own mission in broad social categories, instead of short product category. When social mission is defined by the company, its employees have the sense of respective guideline for own activities [8].

The assumption of social marketing covers the quality of social life. According to social marketing principle, enlightened company undertakes marketing decisions, taking into account demands and long-term customer’s interests, company’s needs and long-term social interests. Company is aware of the fact, that when customer’s and society’s long-term interests are omitted, it will not be beneficial to them. The core of the problem is based on the fact, that in the majority of cases the customer’s needs, demands and long-term interests are convergent, thus sole customers will know the best what is good and what is bad for them. Whereas, customers not always make decisions advantageous for them. People want fatty meals damaging their health, some of them want to smoke cigarettes with knowledge of shortened life following smoking and contaminated environment for others, many people are inclined for drinking alcohol despite disastrous effects. When you want to maintain control for the potential adverse effects of marketing, you should disseminate the arguments against smoking, fatty food and alcohol abuse in the media [9].

The regulation on the unhealthy demand is also required, spontaneous or statutory one. The second problem is customers demand, that sometimes contradicts with social welfare. When the purpose of marketing is satisfaction of customers needs, dilemma in case of unhealthy demand occurs. Customers demand the convenience and prestige related with furniture, doors, window frames made from wood, whereas society aims for preservation of Amazonian rain forests; customers want the comfort related with air-conditioning, whereas people need the ozone layer in the atmosphere; unleaded petrol should be used worldwide, whereas it is not a concern for everybody. Marketing should be more sensitive on lacking convergence between the needs of customers and social welfare. When there is lack of activities initiated by customer movements and own sense of responsibility towards the customers, the control over and regulation of own activity oriented on delivering the goods and services that are undesired by whole society begins to be the purpose of marketing. Otherwise, legislation will replace companies in it. Marketing oriented on the society should launch products that provide satisfaction, whereas they also bring benefits [10].

Products can be classified according to the level in which they deliver direct satisfaction to customer, according to theirs long-term benefits. Desired products bring both immediate great satisfaction and great long-term benefits. Such a desired product can be the healthy and nutritious breakfast cereals. Stimulants bring immediate great satisfaction, whereas can be harmful to customers in long term (i.e. alcohol drinks, cigarettes). Salutary products are less attractive, but they provide benefits to customers in long term [11].

The role of ethics should be emphasised. Ethics is determined as a set of norms and moral assessments for particular group in the society. Ethics takes the leading place in the
companies programmes. The ethics of entrepreneurial practices is very often topic in social discussions.

The principle of customer’s and producer’s freedom means that marketing decisions should be made by producers and customers in the conditions of mutual freedom in the possibly broadest extent. The freedom referred to marketing is important, when the purpose of marketing system is delivery of high quality standard of life. People get quicker satisfaction when dictating own conditions, when compared to conditions stipulated by someone from outside. Satisfaction of customers needs will be more complete following greater compliance of products with expectations. The freedom of manufacturers and customers is basic for dynamic marketing system. Whereas, additional rules are required, in order to implement such freedom and avoid abuses [12].

According to the principle of limited eventual damages, transaction made freely by producers and customers should be theirs private matter in the possibly the greatest extent. Political system limits the freedom of producer and customer only for the protection against transactions harmful or posing danger to producer, customer or both sides. Transactional risk is the commonly recognized cause for governmental intervention. The fact is important, whether existing or eventual threats justify such intervention.

The satisfaction principle for basic needs pertains to consumers [13].

Marketing system should serve for consumers who are in undesirable situation and for rich people, both. In the system of free entrepreneurship, producers should produce goods for markets, that are willing for and capable of purchasing such goods. Whereas, some groups lacking of purchasing power can be left without the required goods and services with damage to theirs physical and psychical welfare. When maintaining the freedom principle of producer and customer, marketing should be supported with economic and political actions, that help in solving such problem. The goal of marketing system should be satisfaction of needs of all people, and simultaneously all people should share with the standard of life created in such a system in some extent [14].

The economic efficiency principle is a matter of effectiveness. Marketing system tries to deliver goods and services in efficient manner. The level of satisfaction for society’s will and demands depends from the effective exploitation of available and limited resources. Competitiveness is required for efficient operation of marketing system. Open market provides competitiveness, free flow of goods, freedom of information and informed purchasers. Market starts to be effective in such way. In order to obtain the profit, competitors must carefully observe own costs when developing a product, settle prices and form marketing programs oriented on satisfaction of purchaser needs. In turn, purchasers get the greatest satisfaction when they have information about various competitive products, compare theirs prices and quality and make careful choices. The existence of active competition and well informed purchasers maintains high quality and low prices. Moreover, competition extracts best things from products and services. Producers who want to offer the best value can expect the success [15].

The fifth rule is innovation rule. Marketing system encourages for decrease in the production and distribution costs and for development of new products oriented on the satisfaction of changing customer’s needs with means of introduced real innovations. Many innovations are really only the imitation of other brands with small changes oriented on the increase in the attractiveness of goods. Consumer can find ten very similar brands within particular product class. However, efficient marketing encourages for real product innovation.
and permanent diversification oriented on the satisfaction of needs of various market segments [16].

Customer’s education and information principle is based on conscious customer’s selections. The effective marketing system includes the investments in customer’s education and information. It should increase the customer’s satisfaction and welfare in the subsequent perspective. The economic effectiveness principle requires such investments, in particular when products can be mistaken as a course of diversity and contradictions in declarations. In the ideal situation, companies should deliver sufficient information about own products. Information and assessments can also come from consumer groups, agencies and governmental organizations. Such institutions should have greater access to the media, in order to propose own arguments for and against the consumption of such goods and services and when neither companies nor customers behave in reliable manner [17].

The last principle is customer’s protection basis. Education and information of customers are not sufficient for effective protection of customer. Marketing system must independently provide such protection. Contemporary products are complex, and even educated customers cannot fully assess them. Consumers do not know, whether mobile cellular phone emits carcinogenic radiation, or new vehicle model has shortages in terms of safety, or new drug has adverse effects. Task of governmental agencies is verification and assessment of security level in food, drugs, toys, materials, vehicles and buildings. Agencies should also supervise the honesty and professionalism of services delivered by institutions, such as banks, insurance companies, healthcare and police. Consumers can purchase goods without the knowledge of theirs effects on environment. Customer’s protection covers also production and marketing activity that can be harmful to environment. Finally, customer’s protection should be the protection against the fraudulent practices and intrusive sales techniques in the cases when consumer is defenceless [18].

3. CONCLUSIONS

Currently, the role of marketing gets new meaning. Focus on short-term profits is changed into focus on long-term activity. Company’s development, as well as in the production companies, should be sustained. Management according to the principles of sustained development is reflected at all levels of its operation.

References


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