

Analyzing Marketing Environment and Adaptation Into New Economy and the Definition of Digital Marketing

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ABSTRACT

In this article specific attention is paid to the definition of marketing and it's analyze of environment and the current status of adaptation in the new era of Economy and the role of digital marketing also studied.

KEYWORDS: *SMM, customers, digital marketing, transformation, advertisement and product concept.*

As we know Marketing is the study of the management and products exchange relationships in market. It's the organizational function and combination of stages and processes of creating, promoting and delivering a product or service to customers and managing relationships with them for the benefit of the organization. More briefly, marketing is an activity aimed at satisfying market needs in order to make a profit. In a broad sense, the purpose of marketing is to “identify and satisfy human and social needs”, it mostly focuses on satisfying consumer's needs for products in market place.

Marketing is defined by the American Marketing Association as: “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Marketing concepts relate to the philosophy a business use to identify and fulfill the needs of its customers, benefiting both the customer and the company. Same philosophy cannot result in a gain to every business, hence different businesses use different marketing concepts (also called marketing management philosophies).The ‘marketing concept’ proposes that in order to satisfy the organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors. This concept originated from Adam Smith's book *The Wealth of Nations*, but would not become widely used until nearly 200 years later. There are five main concepts in marketing (**1-image**)



1-image five concepts of Marketing

- **The production concept.** When the production concept was defined, a production oriented business dominated the market. This was from the beginning of capitalism to the mid 1950's. During the era of the production concept, businesses were concerned primarily with production, manufacturing, and efficiency issues. Companies that use the production concept have the belief that customers primarily want products that are affordable and accessible. The production concept is based on the approach that a company can increase supply as it decreases its costs. Moreover, the production concept highlights that a business can lower costs via mass production. A company oriented towards production believes in economies of scale (decreased production cost per unit), wherein mass production can decrease cost and maximize profits. As a whole, the production concept is oriented towards operations.
- **The product concept.** This concept works on an assumption that customers prefer products of greater quality and price and availability doesn't influence their purchase decision. And so a company develops a product of greater quality which usually turns out to be expensive. One of the best modern examples would be IT companies, who are always improving and updating their products, to differentiate themselves from the competition. Since the main focus of the marketers is the product quality, they often lose or fail to appeal to customers whose demands are driven by other factors like price, availability and usability.
- **The selling concept-**Product and production sales both of them are focusing on production but the selling concept focuses on actual sale of the products.
- **The marketing concept-**A company that believes in the marketing concept places the consumer at the center of the organization. All activities are geared towards the consumer. A business, aims to understand the needs and wants of a customer. It executes the marketing strategy according to market research beginning from product conception to sales. By focusing on the needs and wants of a target market, a company can deliver more value than its competitors.
- **The societal marketing concept-**This is a relatively new marketing concept. While the societal marketing concept highlights the needs and wants of a target market and the delivery of better value than its competitors, it also emphasizes the importance of the well-being of customers and society as a whole (consumer welfare or societal welfare). The societal marketing concept calls upon marketers to build social and ethical considerations into their marketing practices. They must balance and juggle the often conflicting criteria of company profits, consumer want satisfaction, and public interest.

Analyzing Marketing environment can successfully promote the product in the world market. This process helps to identify those internal and external factors of the environment which affect the organization's abilities to work properly. A business leader develops company's structure, culture and policies to give clear guidelines to employees. Marketing environment divides into two types: internal and external environment. Internal environment of marketing includes all the forces and factors inside the organization which can affect marketing operations. Five components can be grouped as Five M's and includes: Men, Money, Machinery, Materials and Markets.¹ The internal marketing environment is under control of marketer and can be changed while external environment changes. External environment is the components which marketer doesn't have a control. It includes suppliers, consumers and competitors which can produce a better product.

In companies such as Apple external and internal factors are also essential parts of the company system. Internal environment is more dangerous for Apple because there are more strong competitors like Huawei, Samsung and LG but Apple is currently dominating the trade markets in 2019. Apple sold over

¹ www.feedough.com/Marketingenvironment

217 million i phones and launching new systems and etc. Internal environment of Apple consists of a various departments such as communication HR and international relations². Companies in 21st century have to adapt to ever changing environment. At present, companies represent a curious mix of old as well as the new economy. A great deal of research has already been done with respect to the old economy, but for the new economy, companies are learning it rather hard way. Companies have to choose elements from new economy in order to adapt today's methods of business

Technology revolution, globalization and marketing factors are among many sculpting the new economy. These 3 factors interact with each other at different levels creating the driving force for the new economy. New economy also known as digital economy has to include digital technologies such as internet and social media in order to promote their brands and products effectively. Marketing is particularly important now that globalization is a growing factor in today's economies. Advances in communication and technology have made it possible for businesses to reach people in far-flung areas.³

Advertisements for products can appear online in different parts of the world. A customer in one country can visit the website for a store in another to make purchases. Improvements in transportation and shipping help products reach consumers quickly and easily, often within a couple weeks or even a few days of a customer making an order. In addition, stock markets allow individuals and businesses to invest in corporations overseas. The new functioning of marketing in economy has totally changed the approach of companies in markets. Companies are looking forward to expanding across market segments to get maximum market share while keeping focus strictly on customer needs. For these companies are making organizational changes where departments are developed to manage a segment rather than a product? Companies are looking forward to developing consumer based brand equity to foster long term relation. Companies are coming up with products, which perform superior than consumer expectation there by creating a strong brand while the earlier branding task was accomplished through advertising. Companies are treating employees, distribution channel, and suppliers as their business partner and not customer.

Since companies have changed the way they function in the new economy, it is imperative that marketing practices also adapt. As consumers are looking forward going online for major of their purchase, businesses are looking towards electronic commerce (e-commerce) as a way forward. Research has shown online users usually buy music, software, books, apparel, etc. rather than goods like automobiles, house, etc. Business buyers are also coming online as well as suppliers, thereby substantially reducing the establishment cost. E-Commerce has also open doors for customer to customer relation through social networking and community forums, in which experience and discussion are done with respect to products. Through internet consumers are able to provide faster feedback to companies with respect to products and services. As businesses are moving online, the focus shifts to developing of web sites to provide reliable and correct experience to consumers. Web site design, maintenance and security are of paramount importance for creating a favorable impression on consumer and finally Digital marketing and SMM have got prominence in this digital age. so what is it digital marketing ? it has a various complex definitions for instance it is the component of marketing that uses the Internet and online based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services.⁴ Its development during the 1990s and 2000s changed the way brands and businesses use technology for marketing. ⁵As digital platforms became increasingly incorporated into marketing plans and

² www.apple.com

³ <https://www.managementstudyguide.com/adapting-marketing-to-new-economy.htm>

⁴ "Digital Marketing Systems and Techniques". Warwick. 28 August 2019.

⁵ G.Armstrong P.Kotler Marketing West Carolina 2013

everyday life and as people increasingly use digital devices instead of visiting physical shops, digital marketing campaigns have become prevalent, employing combinations of search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, and optical disks and games have become commonplace. Digital marketing extends to non-Internet channels that provide digital media, such as television, mobile phones (SMS and MMS), callback, and on-hold mobile ring tones. Digital Marketing gives a big chance for business enterprises to go with online branding and advertising. It is not anymore like the days of yore situation when only the multinationals and top business houses, for the most part, grasped Digital Marketing. Presently, the role of digital marketing in SME is equally important and effective for small and new businesses as it is for well-established businesses. Small and medium scale organizations or new businesses now have the advantages to perform online advertising and lead generations. While thinking about the role of Digital Media Marketing, the most detectable advantage is its capacity to connect with different clients without utilizing call centers.⁶

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⁶ <https://www.digitalvidya.com/blog/role-of-digital-marketing/>