

Marketing : Business Promotion - Some Thoughts and a Few Case Studies

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Abstract : The business is increasingly likely to be a network of strategic partnerships among designers, technology providers, manufacturers, distributors and information specialists. The business will be defined by its customers, not by its products or factories or offices. Further, Marketing can no longer be the sole responsibilities of a few specialists. Rather, everyone in the organisation may be charged with responsibility for understanding customers and contributing to developing and deliver value for them. The organisations that are unable to achieve this focus on customer will either disappear or become highly specialised players, taking strategic direction from the customers. At the corporate and business unit levels, marketing may merge with strategic R & D planning or, more generally, the strategy development function, with shared responsibility for information management, environmental scanning and co-ordination of the network activities. In the present paper, some of the above thoughts have been examined and evaluated considering the existing form of promotional practices exhibited by a few selected R & D laboratories.

Keyword : *Technology marketing, Strategic alliance, Network marketing, Business promotion, RRL Jorhat, NML Jamshedpur.*

INTRODUCTION

The managerial approach to the study of business evolved in the 1950s and 1960s. These early approaches to the study of marketing are interesting because of the relative absence of a managerial orientation. Business enterprises were seen as a set of social and economic processes rather than as a set of managerial activities and responsibilities. The institutional and functional emphasis began to change in 1948, when the American Marketing Association^[1] defined marketing

as: The performance of business activities directed toward, and incident to, the flow of goods and services from producer to consumer or user. This definition, modified only very slightly in 1960, represented an important shift of emphasis. Though it grew out of the functional view, it defined marketing functions as business activities rather than as social or economic processes. The managerial approach brought relevance and realism to the study of marketing, with an emphasis on problem solving, planning, implementation, and control in a competitive marketplace.

The first marketing casebook, incorporating a managerial framework by definition, had emerged from the Harvard Business School very early^[2], but without any descriptive material or analytical framework any descriptive material or analytical framework became a widely accepted business function, growing out of a more traditional sales management approach, with an emphasis on product planning and development, pricing, promotion, and distribution. Marketing research gained prominence in management practice as a vehicle for aligning the firm's productive capabilities with the needs of the marketplace.

MANAGERIAL FOCUS

The managerial focus was not readily accepted by everyone in academic circles, nor was the marketing concept completely adopted by industry till late 80's^[3-5]. At the root of most of the new managerial texts and the evolving research literature of marketing science was the basic microeconomic paradigm, with its emphasis on profit maximisation^[6]. The application of formal, rigorous analytical techniques to marketing problems required specialists of various kinds. Marketing departments typically included functional specialists in sales, advertising and promotion, distribution, and marketing research, and perhaps managers of customer service, marketing personnel, and pricing. Early organisational pioneers of professional marketing departments included the consumer packaged goods companies with brand management systems, such as Procter & Gamble, Colgate-Palmolive, General Foods, General Mills and Gillette. In other companies, the marketing professionals were concentrated at the corporate staff level in departments of market research and operations research or management science. Examples of the latter in-

clude General Electric, IBM and RCA. Large, full service advertising agencies built strong research departments to support their national advertiser account relationships. Other large firms, such as Anheuser-Busch and General Electric, also entered into research partnerships with university-based consulting organisations.

SHIFT FROM TRADITIONAL SYSTEM

When we think of marketing management, we think of large, divisionalised, functional organisations-the kind depicted by the boxes and lines of an organisation chart. The large, bureaucratic, hierarchical organisation, almost always a corporation in legal terms, was the engine of economic activity. The burden of administrative costs, mostly in the form of salaries for these middle layers of management, became an increasing handicap in the competitive races that shaped up in the global marketplace of late 70s . During the 1980s, new forms of business organisation became prominent features of the economic landscape. Even before the forces of global competition became clearly visible, there was a trend toward more flexible organisation forms, forms that are difficult to capture with a traditional organisation chart. The best visual image of these organisations may be a wheel instead of a pyramid, where the spokes are 'knowledge links' between a core organisation at the hub and strategic partners around the rim^[7].

STRATEGIC ALLIANCES & NETWORKING

The confederations of marketing specialists are called by many names including 'networks'^[8-9] "alliances"^[10] and "shamrocks"^[15]. The purpose of these organisation forms is to respond quickly and flexibly to accelerating change in technology, competition, and customer preferences. Consumers simply find it easier and more convenient to shop in the same store to buy a familiar brand, thus minimising the time and effort needed to obtain and process information about different alternatives. Consumers can negotiate more favourable terms of sale from a vendor who is attracted to the possibility of future transactions with them. Relationships make transactions more cost efficient.

The importance of relationships in marketing is more clearly seen in industrial markets, though it is now also better understood in

consumer markets as resellers have gained increased power and as information technology has put individual consumers in more direct contact with resellers and manufacturers. Interactive databases are making relational marketing a reality for consumer goods. For products such as consumer durable goods, whose benefits are derived over a long period of time rather than being consumed in a single use and for which after-sale service is often required, there is an ongoing relationship with the customer, though responsibility for the relationship is often an issue and a source of conflict between customer, reseller, and manufacturer.

The importance of managing these buyer-seller relationships as strategic assets began to be recognised in the marketing literature of the 1980s^[5-11]. Jackson proposed that industrial marketers characterise firms as either transaction or relationship customers and scale the commitment of resources accordingly. In these longer-term buyer-seller relationships, prices are an outcome of a negotiation process based on mutual forces, and quality, delivery and technical support become more important. The Japanese manufacturers, in particular, striving to compete in the North American market, thousands of miles from home, had learned a valuable lesson: quality does not just sell better, it also costs less. Quality and low cost depend heavily on a system of strategic partnerships with a small number of vendors that are incorporated in the early stages of Technology product development, a pattern of co-operation, The model being seen in some of the R & D organisations^[12].

In some cases, the partnership between a supplier and its customer takes the form of an entirely new venture, a true strategic alliance. One of the essential features of a true strategic alliance is that it is intended to move each of the partners toward the achievement of some long-term, strategic goal. Another important characteristic of strategic alliances is shared objectives and a commitment of resources by both parties. Joint ventures, as the term is used here, are only one kind of strategic alliance, though the terms are often used interchangeably. Interestingly, the joint venture also faces all of the problems of its parent firms in terms of creating multiple partnerships and alliances and determining its core competence and its unique positioning in the value chain between vendors and customers^[12, 13].

Networks are the complex, multifaceted organisation structures that result from multiple strategic alliances, usually combined with other forms of organisation including divisions, subsidiaries, and value-added resellers. The basic characteristic of a network organisation is confederation, a loose and flexible coalition guided from a hub where the key functions include development and management of the alliances themselves, co-ordination of financial resources and technology, definition and management of core competence and strategy, developing relationships with customers, and managing information resources that bind the network. In the context of the network organisation, marketing is the function responsible for keeping all of the partners focused on the customer and informed about competitor product offerings and changing customer needs and expectations.

Change in Marketing Role

In the new organisation environment, the marketing function as we know it is undergoing radical transformation and, in some cases, has disappeared altogether as a distinct management function at the corporate level. We may identify three distinct dimensions of marketing- marketing as culture, marketing as strategy and marketing as tactics. Though each marketing dimension is found at each level of strategy, the emphasis accorded the separate dimensions of marketing varies with the level of strategy and the level within the hierarchy of the organisation.

Today's analysis permits consideration of a much more flexible set of organisation forms - relationships and alliances of various kinds. At this level of strategy, the role of marketing is threefold: (1) to assess market attractiveness by analysing customer needs and requirements and competitive effectiveness, (2) to promote customer orientation by being a strong advocate for the customer's point of view versus that of other constituencies in management decision making, as called for by the marketing concept¹⁶¹ and (3) to develop the firm's overall value proposition (as a reflection of its distinctive competence, in terms reflecting customer needs and wants) and to articulate it to the marketplace and throughout the organisation. A major function of the statement of mission, distinctive competence, and overall value proposition is to make clear what

the firm will not do, as well as what it will do as stated by corporate objectives and goals. At the corporate level, marketing managers have a critical role to play as advocates, for the customer and for a set of values proposition as part of that culture throughout the organisation both internally and in its multiple relationships and alliances. In network organisations, the marketing function has a unique role that is different from its role in traditional hierarchical structures partnerships with vendors and technology partners through which the firm deploys its distinctive competence to serve particular market opportunities. Thus, marketing may be involved in relationships with vendors at least as much as, if not more than, relationships with customers as part of the process of delivering superior value to customers.

Business Strategy & Promotion

At the business unit, the key strategy question is how to compete in the firm's chosen businesses. Business strategy is based on a more detailed and careful analysis of customers and competitors and of the firm's resources and skills for competing in specific market segments^[14]. In network organisations, marketing managers at the business unit level also have a new responsibility for deciding which marketing functions and activities are to be purchased in the market, which are to be performed by strategic partners, and which are to be performed internally. This responsibility applies to the whole range of professional services (marketing research, telemarketing, advertising, sales promotion, package design, etc.) as well as to suppliers of raw materials, components, and subassemblies and to resellers. When is a vendor merely a vendor and when is it a strategic partner committed to a mutually dependent long-term relationship in delivering solutions to customer problems? Similar questions must be asked about channel members. In a customer-oriented company, committed to the marketing concept at the corporate level, marketing management at the business unit level has a critical role in guiding the analysis that leads to answers to these questions. In all cases, the answer will be that which enables the business to deliver superior value to customers in comparison with its competitors. It is the unique characteristic of network organisations that these questions are asked and that the organisation form-transaction versus relationships versus hierar-

chy-remains flexible, depending on what the market requires. In this sense, network organisations are by definition "market-drive" and represent a maturation of the marketing concept. Clearly evolving organisation forms, emphasising flexibility in responding to changing customer needs, create new definitions of marketing's role and responsibilities. These new responsibilities differ at the corporate, business and operating levels. In each instance, the new emphasis or long-term relationships and ongoing assessment of which functions and activities to purchase, to perform internally, or to engage in with a strategic partner creates new dimensions to the marketing task. These new responsibilities and tasks cannot be well understood by using only the traditional profit-maximising optimisation framework that has been the core of marketing theory for the past four decades^[16-17].

NML/CSIR's Magnesium Technology: A case study

National Metallurgical Laboratory (NML), Jamshedpur developed^[12] the know-how for the production of magnesium both on laboratory and on pilot plant scales during 1956-1961. The scarcity of magnesium during 1962 border war impelled Govt. Of India to set up indigenous facility for the production of magnesium in the public sector. Consequently it was decided that CSIR/NML to set up a technology demonstration plant (100tpa) with the following objectives: (1) to develop the process on a semi-commercial scale, (2) to train personnel to generate process technology data, and (3) to develop expertise for setting up a commercial plant. The plant was commissioned in February 1972 with 200 tpa capacity and subsequently the necessary modifications in the equipment and the process were carried out. The magnesium metal produced were as competitive as imported one and were supplied to different users such as National Aluminium Co. Ltd., Ordnance Factories, Hindustan Aeronautics Ltd., Govt. of India Mints, Bharat Aluminium Co. Ltd., Heavy Engg. Corpn., Vikram Sarabhai Space Central, DMRL, Nuclear Fuel Complex and so on. However, NML being a R & D organisation, it was not organised or rather managerially designed to undertake such regular three shift operation. CSIR-NML's Magnesium Plant, therefore, had to be registered under the Factories Act 1948 as well as under industries (Development and Regulation) Act 1951.

All these created innumerable difficulties in conducting developmental work in the plant within the ambit of CSIR's standard employment policy and rules. So, it was decided to sell the whole set up to an entrepreneur. But as (1) no entrepreneur was associated right at the process development stage, (2) Magnesium being a strategic metal, (it has critical applications in the areas of defence, aeronautics, missiles, atomic energy, ammunitions, armaments and space), it was difficult for the laboratory to immediately identify a suitable client. During 1975-85, more than four parties were contacted, however due to different reasons sale of plant could not be materialised. Finally, an agreement was signed with Andhra Pradesh Industrial Development Corpn. - Southern Magnesium for the sale of the entire plant and the Magnesium Technology on August, 1987. APIDC- Southern Magnesium set up (600 tpa) their plant near Rajamundry in Andhra Pradesh. Higher plant capacity, higher retort productivity together with the use of natural gas from the Godavari Basin and furnace design, a large and growing market for magnesium etc. - all these make the APIDC- Southern Magnesium Plant a highly attractive proposition. Therefore, one should be careful regarding the nature of technology/product and association of users.

Rural Marketing and RRL Jorhat - A case study

In view of the prevailing agro-climatic condition, Regional Research Laboratory (RRL) Jorhat, a constituent establishment of Council of Scientific & Industrial Research (CSIR), Govt. Of India took up the socio-economic development activities for the tribals residing at rural areas mainly in the form of (1) promotional aspects of aromatic and medicinal plants; (2) training entrepreneurs to develop technical manpower for the rural industry and (3) conducting science motivation courses^[75]. In recognition of the above mentioned programme, RRL Jorhat bagged, the 1985 Federation of Indian Chambers of Commerce & Industry (FICCI) award for rural development activities.

The villages selected by RRL Jorhat are Yaongyimsen and Kohima suburbs in Nagaland; Tawang, Lumla, Senua and Pasighat in Arunachal Pradesh; Balat in Meghalaya; Sepahijala in Tripura; Montripukhuri in Manipur; Boko, Melang/Nakachari, Kenduguri, Pengeri and some other villages in Assam. But, still a brief resume in few cases are cited here.

During 1970, RRL-Jorhat opened a sub-station at Yaongyimsen Village (Nagaland) by procuring 3 acres of land. An experimental-cum-demonstration plant for distillation of citronella grass was started and the villagers were motivated to take up training in citronella cultivation. In 1971, out of 350 families of the village only five families took cultivation and brought an acre of land under cultivation.

Gradually more families of the village started participating in the RRL programme by bringing more land under cultivation. The Department of Industries, Government of Nagaland was brought into the scene and at their instance the Laboratory designed, fabricated and installed a distillation plant of 200kg/batch capacity in the village. Government run units started distilling the grass supplied by the villagers. They also started earning money. With the increase in area under citronella cultivation and distillation plant was found inadequate to distill all that produced. Another unit of 200 Kg/batch capacity was then installed. As the cultivation further extended, new distillation stills of the higher capacity had to be installed to meet the increased demand. The progress and enthusiasm shown by the villagers impressed the Government of Nagaland who provided Rs. 2.6 Lakhs to RRL for design, fabrication and installation of a sophisticated distillation plant of turn-key basis. Accordingly, in 1973, another distillation plant (500 kg/batch) was installed in the village by the Government of Nagaland. Thus in 1971, the villagers produced 30 tonnes grass valued at Rs. 1500.00. Consequently till 1997, because of promotional activities of RRL, 257 families of the village brought 215 hectares of land under cultivation of citronella and produced 1842 tonnes of grass valued at Rs. 1250.00 lakhs (approx.). Apart from selling citronella grass, the villagers got the opportunity to sell firewood for the distillation plant. Some villagers were also got job in these distillation units as skilled and unskilled labour who were trained by RRL. The activities in Yaongyimsen village acted as a catalytic agent. Persistent requests were received by RRL to introduce such programmes in other villages of the region.

In the village of Yaongyimsen, a paper slate-manufacturing unit has been installed by RRL and the local youths were trained. Thirty local youths are now working in about ten units who have not only mastered the technology, but have also brought about some inno-

vation like sun-drying of the slates in a six-tier trays made of bamboos. The industry directly employed 3 semi-skilled labours (trained by RRL Jorhat) and one skilled (carpenter) for making wooden frame for the slates. It employed a few more unskilled labours who sell the slates in the nearby areas. Thus this industry with an investment of Rs. 15,000.00 each provided employment opportunity to 5-6 people. The paper slate making technology has been licensed to more than 100 parties in rural and semi-urban areas in different parts of the country, which has generated employment opportunities to more than 500 unemployed youths.

RRL Jorhat with the financial assistance of Appropriate Technology Unit, Ministry of Industry, Govt. of India, New Delhi and Department of Industries, Arunachal Pradesh, Pasighat worked out certain rural development programmes. The laboratory supplied the improved strain of Java citronella slips to the growers. A distillation still of 500 kg/batch capacity for extraction of oil was installed at Pasighat, Arunachal Pradesh.

Pengeri village in Tinsukia sub-division of Upper Assam is a cluster of nearly fifteen tiny villages with an area of more than 3000 hectares. The people, represented by different economic groups thrived gradually on citronella cultivation. The citronella cultivation at Pengeri was initiated in the year 1973 in a few patches of wasteland. The idea caught up as an individual farmer could earn about Rs. 800.00 a month from one hectare land under citronella cultivation by way of selling the grass at 50 paise/kg to nearby distillation units.

In order to meet the distillation demand of the area more than 50 stills of different capacities ranging from 50kg/batch to 600 kg/batch were installed. In 1984, all total 723 farmers brought around 2053 hectares of land under citronella cultivation and produced about 62,000 tonnes of citronella grass valued at Rs. 2.77 crores. The units got tripled in the year 1994 and with lots of value additions to the products and processes. The prosperity derived by the village people by adopting RRL technology is quite visible. It would be interesting to note that the Pengeri area is surrounded by thick forest and the villagers could not cultivate paddy or sugarcane due to depredation by wild elephants. Since, citronella grass is not eaten by elephants, the villagers are cultivating it safely.

DISCUSSION

Customer focus require increasingly large investments in information and information technology, giving some advantage to organisation large enough to make pre-emptive investments in the areas. Impersonal, mass communications, especially media advertising, are becoming less effective, whereas personal, targeted, special purpose communications have become more important. This change is reflected in the decline of the traditional advertising business-independent advertising agencies developing ads and placing them in broadcast and print media. In their place have emerged global communication companies, international networks of specialists and integrated marketing communications mega-agencies working with their multinational clients on specific projects.

In mass and community adoption projects it would be advisable to organise campaigns to explain the 'know-how' and 'know-why' of the project in advance. Local teachers and students should be involved in this task as was the cases with RRL Jorhat with citronella technology and subsequent transfer of SSI processes. Some projects (e.g. rodent control based on CSIR technology) may require a whole village or even the involvement of a cluster of villages. Here, the dynamics of human behaviour and the advantages of resources and management services will have to be fully exploited. Local people will have to be educated, inspired and induced to give a trial to the technologies being offered through discussions, visuals, demonstrations etc. Women should invariably be involved to function as motivators.

Any improved or new technology demands some investment. A person should weigh the expected benefits over these of traditional practices, whether they relate to adoption of an improved chullah, or a latrine, or a shelter. The advantages of these techniques and technologies will, therefore, need explanation in terms of appropriate direct/indirect socio-economic benefits and impact on tribal families or the village community as a whole. While a number of projects need community participation and responsibility, others need public funding, incentives or motivation of one kind or another.

Diffusion of technologies for human welfare in general and rural welfare in particular require an integrated approach and continuous educational programme supported by needed inputs within means and easy reach of the target groups/beneficiaries such technologies may perhaps complement the extension efforts.

Using S & T for the welfare of rural masses needs a different promotional and management approach. It requires blending of Research & Development (R & D) results with demonstration, training and implementation of well-defined projects in an integrated manner. Since risk-taking capacity and entrepreneurship are minimal among the rural people, the project formulation for promotion of such technologies should as far as possible be sieved through the steps like -

Identify existing levels of technologies and isolate priority requiring application of S & T; Study existing levels of technologies practised and identify significant gaps, the overcoming of which may immediately attract the attention of the people; Study priority areas among the ongoing programmes initiated by rural development agencies and identify technological gap, if any; Harness matching techniques/technologies to bridge the above gap and study the scope of working out a mix of both traditional and new techniques; Prepare an integrated project proposal for community and/or individual family aiming at (i) direct application of known knowledge, (ii) modification of a known technology to make it adaptable to the local situation, (iii) upgradation and rationalisation of traditional skills, and (iv) development of new techniques as required; Interact with local leaders, target groups, development staff, voluntary agencies, etc. for finalising the programme; Ensure supply of inputs for implementation of improved/new technology; Involve the target groups/beneficiaries to participate activity in demonstration/training programmes; Arrange training of key personnel and trainers to facilitate dissemination, diffusion and replication of the technology; Monitor the project in the initial stages of implementation, help in the solution of any teething troubles, and provide expert counselling to eliminate risks of failure; and Provide regular feedback to the generators of technology.

CONCLUSION

Marketing managers need to be fully aware of all aspects of the competitions. They need to know what their competitors offerings are; what their plans are, and what results they are achieving. The field of advertising management is made up of a system of interacting organisations and institutions, all of which play a role in the specialised advertising process. The competent advertising man must understand psychology. The more he knows about it the better.

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