

## **STRATEGIC MARKETING- ROLE OF RELATIONSHIPS, INFORMATION & SERVICES**

### **INTRODUCTION**

As Philip Kotler has rightly said, “The future is not ahead of us. It has already happened”.

Today companies have to prepare themselves for the new economy, which is characterized by globalization, hyper competition, technology and empowered consumer. The old economy marketers worked on certain set theories and principles, which was focused on internal efficiency and productivity. But now the focus has shifted to doing well in the marketplace against competitors and hence strategizing for the future.

As more and more companies are entering the race, the scope of having a competitive edge is declining. Marketers have been working on various parameters like advertising, quality, pricing, branding, discounts, packaging, etc to gain that extra but they seem to work no more as everybody is emphasizing on them.

Hence the inevitable question? How do companies compete successfully in today’s marketplace? The answer is to practice the art of market-oriented strategic planning, the managerial process of developing and maintaining a viable fit between the organization’s objectives, skills and resources and its changing market opportunities.

Marketers today need to unleash new capabilities to gain a substantial advantage because that will create winners and losers. There is a need for holistic marketing, which brings us to the three most important and critical success factors that are Relationships, Information and Services. Their literal meaning is understood by all but what needs to be known is what they symbolically stand for in today’s market. The degree to which these concepts can be applied would vary from industry but their importance cannot be ignored.

### **I. INFORMATION**

“Marketing is becoming a battle based more on information than on sales power”

Companies today are realizing the significance of information about practically all the aspects of business. And how this can lead to creation of such wealth, which could play a key role in strategizing for the future.

Nevertheless, most business firms lack information sophistication. Their activities are limited to occasional surveys, routine forecasting, sales analysis, etc. But nothing from long term view.

In addition, many managers complain about not knowing where critical information is located in the company; getting too much information that they cannot use and too little that they really need; getting important information too late; and doubting the information's accuracy. In today's information based society, companies with superior information enjoy competitive advantage. The company can choose its markets better, develop better offerings, and execute better marketing planning.

Information relating to any aspect of marketing, be that be advertising and promotional material, sales data, order and processing cycle, inventory levels, pricing components, distribution and logistics, dealer network, consumption patterns, consumer behavior studies, brand recall and advertising effectiveness researchers, product variants and their quality, major accounts, etc. can be critical to business all the time. Hence efforts should be made to maintain this in a retrievable and analyzable form.

Companies must study their manager's information needs and design marketing information systems which consists of people, equipment and procedures to gather, sort, analyze, evaluate, and distribution needed, timely, and accurate information to marketing decision makers. The broad components of this system should be:

1. **Internal records system-** Data relating to order-to-payment cycle, customer dispatch orders, invoices, shipping and billing documents, sales information systems, customer databases, product and salesperson databases should be warehoused by the firms. Furthermore, by hiring analysts skilled in sophisticated statistical methods, they can "mine" the data and garner fresh insights into neglected customer segments and recent trends.
2. **Marketing Intelligence system (EXHIBIT 3)-** is a set of procedures and sources used by managers to obtain everyday information about developments in the marketing environment. Marketing intelligence should be built up by books, newspapers, trade publications, customer response, suppliers, distributor, etc. Could be defined as "an ongoing process of continuously collecting information about the industry in which our company operates, competitor's moves in marketing or other functional areas, related industries (eg, suppliers or substitute products), government policies and actions in areas of export, import, taxation, liberalization, consumer law enforcement, environmental protection and so on".
3. **Marketing Research system-** formal marketing studies of specific problems and opportunities forms the core of this system. Marketing research is the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing the company. It can be a market survey, product performance test, a sales forecast by region or an advertising evaluation.

Marketing research is a critical part of such a marketing intelligence system, it helps to improve management decision making by providing relevant, accurate, and timely information. Every decision poses unique needs for information, and relevant strategies can be developed based on the information gathered through marketing research. Marketing decisions involve issues that range from fundamental shifts in the positioning

of a business or the decision to enter a new market to narrow tactical questions of how best to stock a grocery shelf.

Application of Information through market research for strategy making:

- I. Traditionally, marketing decisions have been made on 4 Ps.
    - a. New Product Research
    - b. Pricing Research
    - c. Distribution Research-warehouse, retail, location
    - d. Promotion Research
  - II. Contemporary applications
    - a. Competitive Advantage
    - b. Brand Equity
    - c. Customer satisfaction
    - d. TQM
  - III. Emerging applications
    - a. Database Marketing
    - b. E-Commerce
    - c. Relationship Marketing
4. **Marketing Decision Support system (EXHIBIT 2)**- MDSS can be defined as co-ordinated collection of data, systems, tools and techniques with supporting software and hardware by which an organization gathers and interprets relevant information from business and environment and turns it into a basis for marketing action. Some examples of decision model are as follows:
- a. BRANDAID- a flexible marketing mix model focused on consumer-packaged goods whose elements are a manufacturer, competitors, retailers, consumers and the general environment. The model contains sub models for advertising, pricing and competition. The model is calibrated with a creative blending of judgement, historical analysis, tracking, field experimentation and adaptive control.
  - b. GEOLINE- a model for designing sales and service territories that satisfies three principles. The territories equalize sales workloads, each territory consists of adjacent areas, and the territories are compact.
  - c. MEDIA C- a model to help an advertised buy media for a year. The media-planning model includes market segmentation delineation, sales potential estimation, diminishing marginal returns, forgetting, timing issues and competitor media schedules.

The various quantitative tools that can be used are multiple regression, conjoint analysis, queuing model, differential calculus, game theory and many more to analyze the information available into a meaningful form.

Technology has the most important role to play in organizing and presenting information in an analyzable form. Technology and information have together been known as what is called as Information Systems.

## **INFORMATION SYSTEMS**

“Technology is no longer and after thought informing business strategy, but the actual cause and driver”.

Information systems and technologies have become vital component of successful business and organizations. The field of information systems encompasses many complex technologies, abstract behavioral concepts, and specialized applications in countless business and nonbusiness areas. As a manager or business professional you do not have to absorb all of this knowledge. Information system can be any organized combination of people, hardware, software, communication networks, and data resources that collects, transforms and disseminates information in an organization. Information technologies like internet, telecommunication networks, computer-based data resource management techniques to transform data resources into an endless variety of information products for consumers and business professionals. IS support strategies for competitive advantage, business decision-making and business processes and operations.

### **EXAMPLES:**

GE by implementing a variety of E-business and E-commerce strategies designed to cut operating costs and grow revenues, while deepening its relationships with its customers has earned a premier status in a lot of businesses, like GE Capital, GE Power Systems, GE Appliances, GE Medical.

Walmart built an elaborate satellite-network linking the point-of sale terminals in all of its stores. The network was designed to provide managers, buyers and sales associates with up-to-date sales and inventory status information to improve product buying, inventories and store management. The Walmart began to use the operational efficiency of such IS to offer lower cost, better quality products and services and differentiate itself from its competitors. They began to extend their networks to their customers and suppliers in order to build innovative continuous inventory replenishment systems that would lock in their business.

## **STRATEGIC USE OF INFORMATION SYSTEMS**

(EXHIBIT 1)

The strategic role of information systems involves using information technology to develop products, services and capabilities that give a company major advantages over the competitive forces it faces in the global marketplace. This creates Strategic Information Systems, information systems that support or shape the competitive position and strategies of an E-business enterprise.

Factors that contribute to the success and sustainability of strategic information systems are:

1. The environment-structure, pestle
2. Foundation factors- industry position, organizational structure, alliances, assets, technological resources, knowledge resources are foundation factors that give a company a competitive edge in a market.
3. Management actions and strategies.

Real life use of IS strategically:

1. Customer relationship management systems using corporate intranets and internet.
2. Supplier managed inventory systems using the internet and extranets.
3. Cross-functional ERP software for integrating manufacturing, distribution, finance and HR processes.
4. Customer-accessible E-commerce websites for order entry, status checking, payment, and service.
5. Customer, product and order status databases accessed via intranets and extranets by employees and suppliers.

Let us try to now understand in detail how the new economy tools can be used to strategize based on information.

**I. KNOWLEDGE MANAGEMENT-** Agility in business performance is the ability of a company to prosper in rapidly changing, continually fragmenting global markets for high quality, high performance, customer-configured products and service.

In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughout the organization, and quickly embody it in new technologies and products. These activities define, the “knowledge-creating” company whose sole business is continuous innovation.

Knowledge is a fluid mix of framed experience, values, contextual information, expert insight and intuition that provides an environment and framework for evaluating and incorporating new experiences and information. It originates in individual minds but it is often embedded in organizational routines, processes, practices, systems, software and norms.

They exploit two kinds of knowledge. Explicit knowledge like data, documents, Tacit knowledge is “how-tos” of knowledge which reside in the employees.

Knowledge Management Systems are being used by many companies to collaborate both the type of knowledge to manage organizational learning and business know-how.

KM enables the creation, distribution and exploitation of knowledge to create and retain greater value from core business competencies. KM addresses business problems particular to your business-whether it is creating and delivering innovative products or services, managing and enhancing relationships with customers, partners, and suppliers, or improving work processes.

Intangible assets like knowledge, collective expertise, goodwill, brand value and patents would comprise of intellectual capital which organizations should make use of to create sustain their competencies.

Some issues that are critical:

- a) Knowledge recognition failure
- b) Rapid knowledge dissemination and application
- c) Tacit knowledge walkouts
- d) Knowledge hoarding
- e) Unlearning
- f) Technology provides temporary advantage
- g) Compressed product and process life cycles
- h) Strategic alignment
- i) Functional convergence
- j) Convergence of products and services
- k) Temporary organizational structures
- l) Deregulation and globalization
- m) Expensive, repeated mistakes and reinventing of solutions
- n) Proactive opportunity seeking behavior
- o) Responsiveness
- p) Increasing returns

Companies can follow this 10-step KM road map.

#### **PHASE I- INFRASTRUCTURE EVALUATION**

1. Analyze the existing infrastructure
2. Align knowledge management and business strategy

#### **PHASE II- KMS ANALYSIS DESIGN AND DEVELOPMENT**

3. Design KM infrastructure
4. Audit existing knowledge assets and systems
5. Design the KM team
6. Create the KM Blueprint
7. Develop KMS

### **PHASE-III DEPLOYMENT**

8. Deploy, using the results driven incremental methodology
9. Manage change, culture, and reward structures

### **PHASE IV- EVALUATION**

10. Evaluate performance, measure ROI, and incrementally refine the KMS  
Last of all, it is very critical for the organizations to appreciate and understand investment in knowledge management systems as real-options investment and that they will reap benefits in the long run.

**II. ENTERPRISE RESOURCE PLANNING-** ERP systems have become the heart, or, more accurately, the spine of many corporate technology initiatives, having been widely adopted in the late 1990's by companies eager to streamline their operations. Goals for ERP ranged from reducing inventory levels to increasing process efficiencies across the supply chain or even integrating.

ERP automated key corporate functions and the companies buying these systems complied with their inherent business processes, including:

- a) Order processing and fulfillment
- b) Production planning and scheduling
- c) Logistics management
- d) Accounting
- e) Human resource allocations and planning

**III. SUPPLY CHAIN MANAGEMENT-** As Michael Porter's five forces model argued that suppliers and other vendors wielded a certain amount of power in their ability to raise prices or compromise product quality, and that this was a key factor in dictating how effectively a company remained competitive. It's no wonder that SCM-the automation of much of the supply chain-is top of mind for many executives. Reengineering the supply chain with SCM technology is particularly promising when we consider that the traditional legacy supply chain systems managed mass production environments, not the increasingly customized, one-to-one process companies are rapidly embracing.

Extranets-also known as private portals, accessible only to company sanctioned partners-and e-procurement software has allowed companies to organize and monitor their purchasing processes by qualifying and communicating with suppliers over the internet. The ability to submit purchase orders directly to the supplier's inventory system over the web-via the extranet that allows access only to selected outsiders such as approval

suppliers-can dramatically minimize waste, reduce costs and improve supplier negotiations.

**IV. DATABASE MARKETING-** Availing a complete customer profile to a range of different organizations often means storing data in a centralized, cross functional database known as data warehouse. Information stored on data warehouses originates from various systems across the company, providing a true 360-view of activity, both current and historic. Such source systems include any of the following:

1. Billing systems
2. Order and provisioning systems
3. ERP systems
4. HR systems
5. Point of sale
6. Web servers
7. Marketing databases
8. Call center systems
9. Corporate Financial packages
10. External data providers

#### **A 5 Step Model for Database Marketing**

1. Gather useful data on customers.
2. Classify customers by their needs and by their value to the firm.
3. Prepare business rules that select the best prospects.
4. Customize marketing treatments for each prospect in terms of product offers, service mix, media, and channel.
5. Set up accountability procedures.

Database Marketing can be expensive because it involves integration of massive information using technology. But the management should consider it as an investment for the long term. The various requirements could be listed down as under

- a. Requires a tremendous investment in information gathering about individual customers and prospects.
- b. Requires constant updating of information.
- c. Some critical information may not be available.
- d. Requires a high investment in hardware and software.
- e. Requires integrating individual customer information from a variety of sources.
- f. Requires people skilled at data mining.
- g. Requires managing and training employees, dealers, and suppliers.



## **II. RELATIONSHIPS**

The whole arena of marketing today has got converted into a network of relationships. The better a company and its employees are at relationships with all the concerned parties, the more profitable future they can strategize.

**Relationships** always drive business results. Buying decisions, and more importantly, repeat buying decisions, are made based on individual and brand relationships. When an authentic, emotional bond is forged between buyer and seller it creates a powerful marketing tool for repeat business, referrals and up selling.

Relationships cannot be bought or easily achieved. They take time, consistency and a strategy to nurture and capture individual preferences and habits. In the end, relationships will overcome most competitive threats, like a lower price or better product. If you are not investing in relationship-building strategies and programs with your employees and customers, chances are your competitors are. After all, relationships are the primary asset of the enterprise. Retention of valuable customers and employees is the hallmark of most successful companies.

Today it is not just the matter of customer but all those who either help or facilitate the delivery to the final customer. We can categorize these concerned partners as follows:

1. Value chain partners- suppliers and distributors.
2. Professional bodies- legal, financial
3. Bankers and financial institutions
4. Government bodies
5. Supporting firms- Advertising, Public relations, events, market research
6. Employees

All these partners play a crucial role in an organization's planning for the future. Hence managing relationship with all of them so that their exist a mutually beneficial or a win-win situation is very essential.

In this respect, the following aspects can be highlighted:

### **1. PARTNER RELATIONSHIP MANAGEMENT**

In today's hyper competitive environment, companies are managing their relations with their value chain partners. They are no more treated just as raw material provider and distributor but as partner who can contribute towards gaining that competitive edge over competition.

Partner relationship management is a subset of CRM that allows companies to ensure partner satisfaction. This usually means providing sales partners and resellers with the tools and information they need to

1. Access up-to-date product information, including release dates, defect data, and marketing materials.
2. Communicate with support resources and offer online assistance with products and services.
3. Reduce paperwork by obtaining knowledge management resources such as pricing revisions and sales contracts.
4. Access a company's supply chain network to check inventory, outstanding shipments, and other order details.
5. Download customizable sales presentations and other product marketing literature.

## **2. RELATIONSHIP MARKETING**

There has been shift from transactions to a relationship focus in marketing. Customers become partners and the firms today must make long-term commitments to maintain these relationships with quality, service and innovation.

Relationship marketing (or management) is a philosophy of doing business, a strategic orientation that focuses on keeping and improving current customers rather than an acquiring new customer.

Apart from the well-known fact that it is a lot cheaper to serve an existing customer than to attract a new one, companies today should formulate strategies to retain customers. Yes but it is not a easy task as this shift often requires a change in the mindset, organizational culture, employee reward systems, etc.

## **III. SERVICES**

As companies find it harder to differentiate their physical products, they turn to service differentiation. Companies seek to develop a reputation for superior performance in on time delivery, better and faster answering of inquiries, and quicker resolution of complaints. The reason for emergence of service as the mantra is first the service industry is becoming ever important in economies and second product industry has to catch the customer and maintain him with them in face of eve rising competition.

The importance of service can be highlighted by the SERVICE-PROFIT CHAIN (EXHIBIT 5)

In view of the complexity of using services as a strategy, Christian Gronroos (EXHIBIT 4) has argued that service marketing requires not only external marketing but also internal and interactive marketing. External marketing describes the normal work to prepare, price, distribute, and promote the service to customers. Internal marketing

describes the work to train and motivate employees to serve customers well. Interactive marketing describes the employee's skill in serving the client.

In order to instill service to the customers and value chain partners as a strategic concept, inclination of the top management is very essential. Top service companies are "customer obsessed". They should have a clear sense of their target customers and their needs. They should develop a distinctive strategy for satisfying these needs.

1. **TOP MANAGEMENT COMMITMENT**- many companies like Taj, McDonalds, ICICI Bank, Federal Express, have a thorough commitment to service quality. The managements look not only at financial performance on a monthly basis, but also at service performance. Like Ray Kroc of McDonalds insisted on continually measuring each McDonalds outlet on its conformance to QSCV: quality, service, cleanliness and value.  
Hence we cannot undermine the seriousness, commitment and direction, which the top management shows in order to make services as a strategic tool for future growth.
2. **HIGH STANDARDS**- one can distinguish between those companies offering "merely good" service and those offering "break through" service, aimed at being 100 percent defect free. The best service providers have to set very high standards of service quality to gain sustainable competitive advantage in the market place. Example – Citibank aims to answer calls within 10 seconds and letters in 2 days.
3. **SELF-SERVICE TECHNOLOGIES**- many person-to-person service interactions are being replaced by self-service technologies. These can be utilized efficiently to create a mark. Like ATMs, vending machines, self-ticket purchasing through internet, self-customization of products, online banking.

But the point to be noted here is that not all SSTs improve service quality, but they have the potential of making service transactions more accurate, convenient and faster.

4. **MONITORING SYSTEMS**- top firms audit service performance, both their own and competitor's on a regular basis. They collect voice of the customer measurements to probe satisfiers and dissatisfiers. GE sends out 700,000 response cards a year asking households to rate its service people's performance. Firms should take action whenever performance falls below the minimum acceptable level. It will not only raise the performance goal overtime but also makes the employees understand how serious the firm is regarding service.
5. **SATISFYING CUSTOMERS AS WELL AS EMPLOYEES**- listening to and satisfactorily resolving customer and employee complaints is of utmost important as this will go a longway in building credibility of the firm as a good service provider. Encourage disappointed customers to complain and empower employees to remedy the situation on the spot. Excellent service companies know that positive employee attitudes will promote stronger customer loyalty.

Till now we have tried to analyze the service industry per se. Let us now move to product-based industries that must provide a service bundle. Manufacturers of equipments-small appliances, office machines, tractors, mainframes, airplanes-all have to provide product support services.

Here we can highlight the importance of reliability, service dependability and maintenance. To provide the best service, a manufacturer must identify the services customers value most and their relative importance. Post sale service strategy plays a crucial role in taking servicing to the company's future. The quality of customer service departments holds much importance. At one extreme are departments that simply transfer customer calls to the appropriate person or department for action, with little follow-up. At the other extreme are departments eager to receive customer requests, suggestions, even complaints and handle them expeditiously. It is the latter kind of strategy that firms today should follow.

A model of service excellence can be quoted here to make things clearer. This model focuses on strategies and processes that firms can employ to drive service excellence while maintaining a focus on customers.

### **GAPS MODEL OF SERVICE QUALITY (EXHIBIT 6)**

Efforts should be made to close these gaps as soon as possible and to never let them happen. Customer gap is the difference between expectations and perceptions. To close this gap, firms would require satisfying their customers by bridging the distance between what is expected and what is received.

Gap 1. Consumer expectation - Management perception gap (not knowing what customers expect)

Gap 2. Management perception - Service quality specifications gap (not selecting the right service designs and standards)

Gap 3. Service quality specifications - Service delivery gap (not delivering to service standards)

Gap 4. Service delivery - External communication gap (not matching performance to promises)

### **DELIVERING THROUGH SERVICE INTERMEDIARIES**

Service intermediaries perform many important functions for the service principal. They act as the glue between the brand or company name and customer by building the trusting relationship required in these complex and expert offerings. These franchisees, agents, brokers etc are the face of the company and have to fulfill company's promises to customers.

Strategies should be developed for effective service delivery through intermediaries. They can be categorized as follow:

1. Control strategies- intermediaries will perform best when standards both for revenues and service performance are set along with measuring results and compensating accordingly.
2. Empowerment strategies- here the service principal allows greater flexibility to intermediaries based on the belief that their talents are best revealed in participation.
3. Partnering strategies- the group of strategies with the highest potential for effectiveness involves partnering with intermediaries to learn together about end customers, set specifications, improves delivery and communicates honestly.

For this it is important to develop service culture as the corporate culture. It has been seen that companies known for their customer or service oriented ness have at their heart a service culture, defined as “ a culture where an appreciation for good service exists, and where giving good service to internal as well as ultimate, external customers is considered a natural way of life and one of the most important norms by everyone. The steps involved in it are:

1. Developing a service culture- it cannot happen overnight. It takes years of consistent, concerted effort to build a service culture and to shift the organization from its old patterns to new ways of doing business.
2. Transporting a service culture- more than just creating it by policies, it is essential to transcend that culture all throughout the organization. While there are tremendous opportunities in the global marketplace, the many legal, cultural, and language barriers become particularly evident for services that depend on human interaction.
3. Sustaining the service culture- as the firm moves from one stage to the other, it becomes even more essential that carry its service with it. Sustaining is the key word for the organization to be known as a service deliverer.

Even information and knowledge about various expectations and perceptions of the partners and customers helps the company to deliver better service.

## **MARKET RESEARCH OBJECTIVES FOR SERVICE**

1. To identify internal and external dissatisfied customers along with dissatisfied, value chain partners, so that service recovery can be attempted.
2. To discover there requirements or expectations for service.
3. To monitor and track service performance.
4. To assess overall company performance compared with that of competition.
5. To assess gaps between customer and value chain partners expectations and perceptions.
6. To gauge effectiveness of changes in service delivery.

7. To appraise the service performance of individuals and teams for evaluation, recognition and rewards.
8. To determine customer expectations for a new service.
9. To monitor changing customer value partners expectations in an industry.
10. To forecast future expectations of customer and value chain partners.

Organizations can use various other methods of creating and improving service quality delivered by them. The following can be listed down for the same purpose:

1. Organizational Culture / Leadership Commitment
2. Understanding customer expectations target market(s) selection
3. Employees selection / training / retention, job assignment, manage the emotional labor empowerment (the freedom factor), support (technology)
4. Effective use of technology – Guest history data bases / loyalty marketing
5. Commitment to Continuous Improvement, Monitor service quality trends, operational standards, customer perceptions of quality, competitive benchmarking

Technology has been increasingly used these days to enhance service delivery. This has increased the potential for new offerings, enhanced the way service is delivered, enabled both customers and employees to participate in the service delivery process, etc.

### Service and technology- **CUSTOMER SERVICE AND SALES FORCE AUTOMATION**

Twenty years ago, most consumers complained by writing letters, mailing them and awaiting a response whose arrival was hit or miss. Then the 800 numbers sparked a revolution in customer service, offering customers real-time dispute resolution and the accountability of a company representative.

Then came the flood of call centers, increasingly known as contact centers, customer interaction centers, or somewhat optimistically customer care centers or even knowledge centers.

Call center technologies entered the marketplace to effectively alleviate some of the repeat work and increase efficiency, allowing companies to handle escalating call volumes. They are being increasingly used as an opportunity to generate additional revenue apart from providing customer service.

CRM's metamorphosis from a focused application into an enterprise-wide business initiative has everything to do with its beginning in sales force automation. SFA (sales force automation) products were originally meant to improve sales force productivity and encourage salespeople to document and communicate their field activities. However, sales force automation products are becoming increasingly focused on cultivating customer relationships and improving customer satisfaction:

1. Moreover, the scenario assumes that headquarters possesses the necessary information about a particular client and can communicate it too.
2. Likewise, sales people needed better tools to help them manage their accounts track opportunities, establish and monitor the sales pipeline and organize the contact lists.
3. Similarly SFA would help back office to have timely to do accurate sales forecasts.

Now that we have understood the above concepts of Information, Relationships and Services in detail along with appreciating its importance in Marketing to strategize for future, their integration must be understood.

## **INTEGRATION OF INFORMATION, RELATIONSHIPS AND SERVICES**

The key to maintain a relationship lies in information and services only. Only when we have critical data about the customer, his consumption patterns, his LTV (Lifetime Customer Value) for the company, we would target them with quality products and services and value overtime. The customers are less likely to pull away if they feel company understands them and they're changing needs and seems willing to invest in the relationship by constantly improving and evolving its products and service mix.

For this Philip Kotler's latest philosophy of Holistic Marketing should be considered. Holistic Marketing gives a complete picture of how an organization can make use of Information to provide Service and maintain Relationships over a long period so as to have best results for the organization.

According to Kotler, there are 5 C's favoring India's current situation. They are as follows:

1. Capital: India has and can attract capital.
2. Cost: Another 50 years of low cost production
3. Capability: Large number of trained workers, engineers, scientists, and business people
4. Consumers: Immense domestic market
5. Calm and stability: in a world of turmoil and uncertainty

By making use of these strengths Indian organizations can formulate a New Marketing concept, which should have the following features:

1. Holistic
2. Technology-enabled
3. Strategic

## **HOLISTIC MARKETING (EXHIBIT 7)**

I. Marketing must become strategic and drive business strategy.

A company needs to take a more holistic view of:

- a. The target customers' activities, lifestyle, and social space.
- b. The company's channels and supply chain.
- c. The company's communications.
- d. The company's stakeholders' interests.

II. Holistic marketing will require strong software support.

## **TECHNOLOGY ENABLED MARKETING**

Technology-enabled marketing (TEM) combines *information technology, analytical capacities, marketing data, and marketing knowledge*, made available to one or more marketing decision makers to improve the quality of marketing management.

**STRATEGIC (EXHIBIT 8)**-To be strategic, organizations have been suggested the following by Kotler:

### **10 Earmarks of the New Marketing (EXHIBIT 9)**

1. Recognize growing customer empowerment.
2. Develop a focused offering to the target market
3. Design the marketing from the customer-back.
4. Focus on delivering outcomes, not products.
5. Draw in the customer to co-create value.
6. Use newer ways to reach the customer with a message.
7. Develop metrics and ROI measurement.
8. Develop high-tech marketing.
9. Focus on building long run assets.
10. View marketing holistically to regain influence in the company.

## **CONCLUSION**

In this radically changing business environment, organizations need to develop new competencies almost every minute to be ahead of the competitors. Strategizing from marketing point of view is of crucial importance as this is the platform of direct interaction with the customer. Utmost care has to be taken to give the best to the customer in order to expect the best.



With a variety of good options available to the customers in almost every industry, it is only providing that “extra” to the customers that will help the firm sustain in the long run.

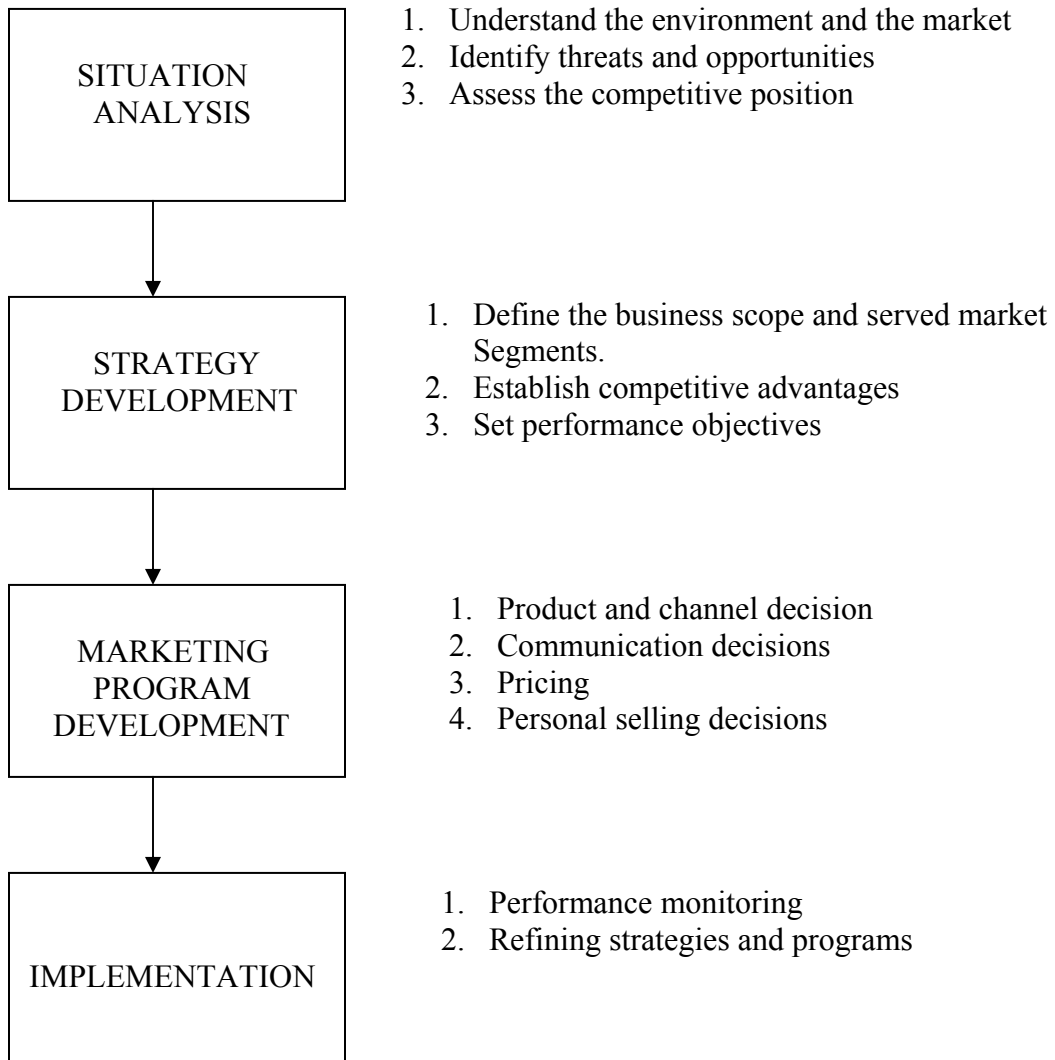
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## **DIAGRAMS AND TABLES**

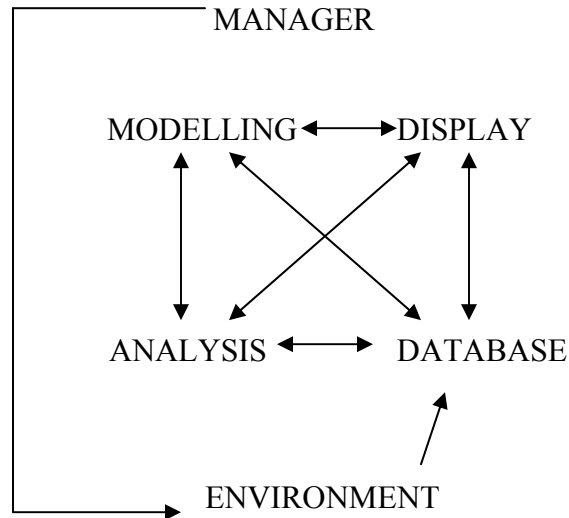
### **EXHIBIT 1**

#### **STRATEGIC INFORMATION SYSTEMS**



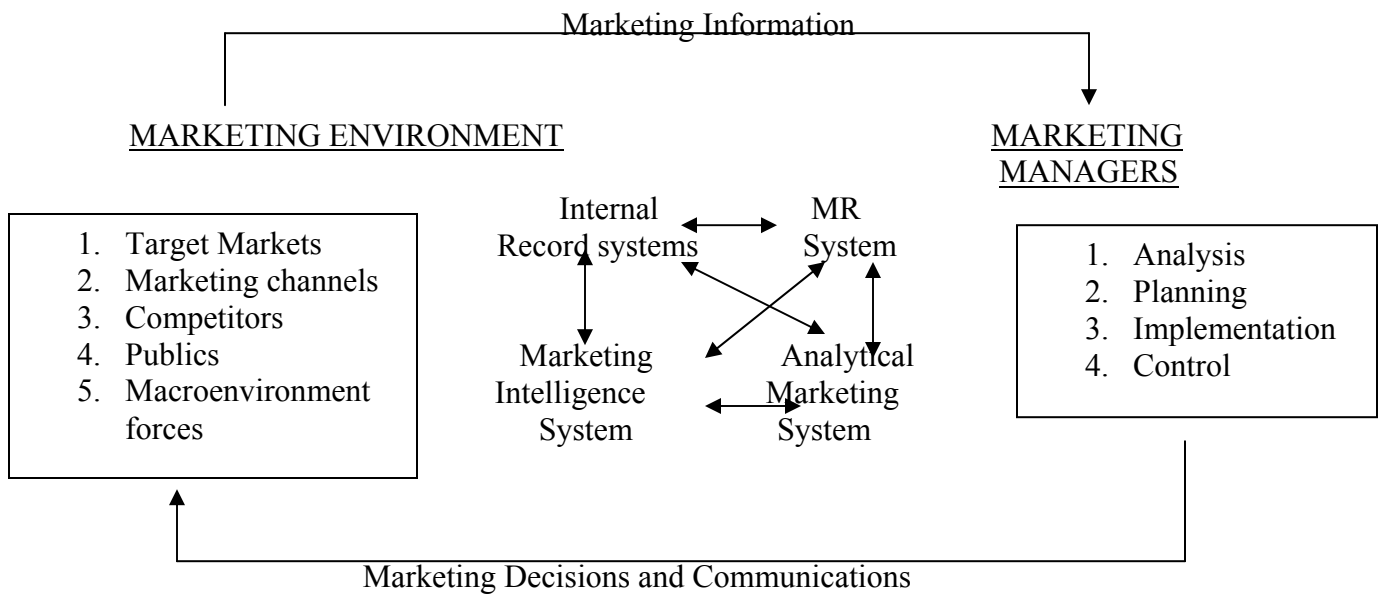
## EXHIBIT 2

### FOUR COMPONENTS OF MDSS

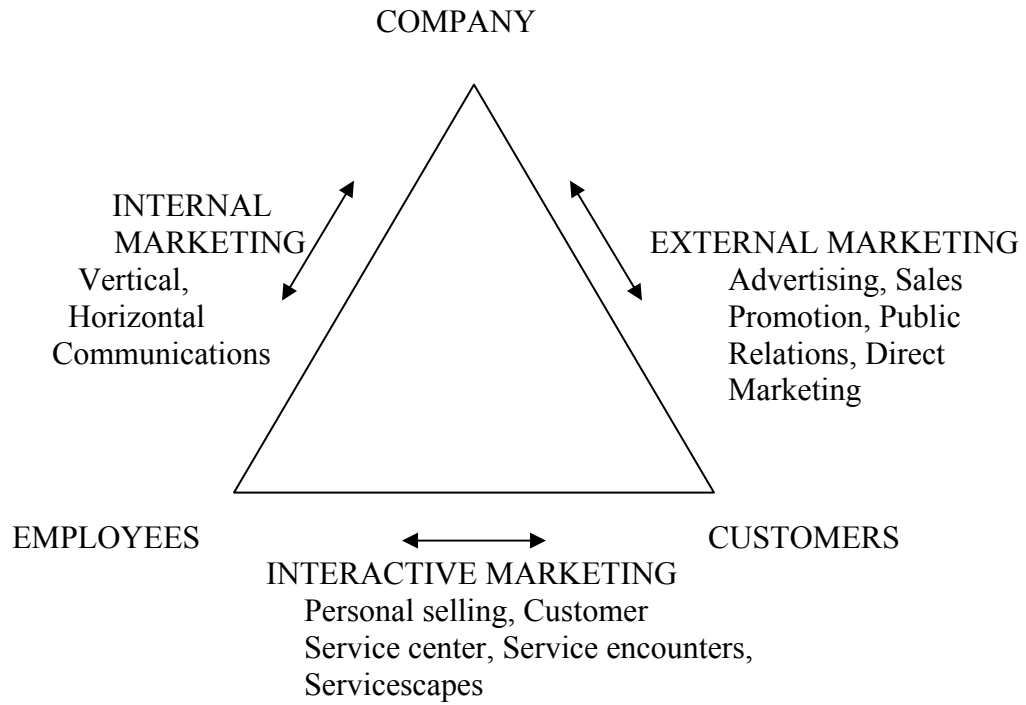


## EXHIBIT 3

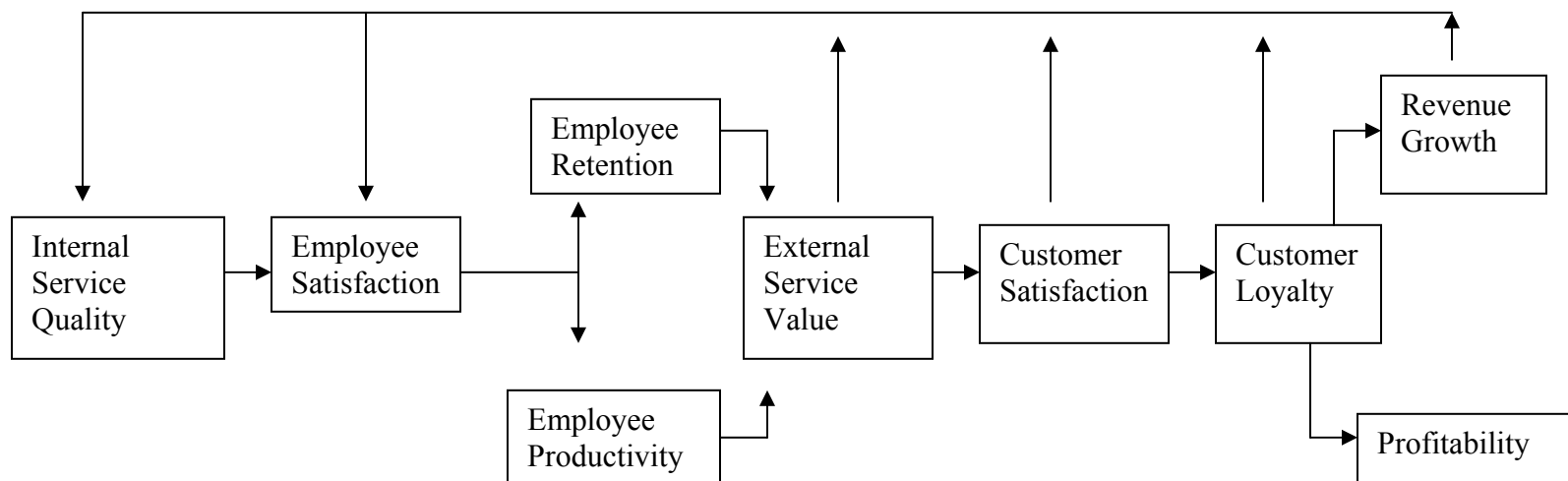
### THE MIS MODEL



#### EXHIBIT 4 THE SERVICE TRIANGLE

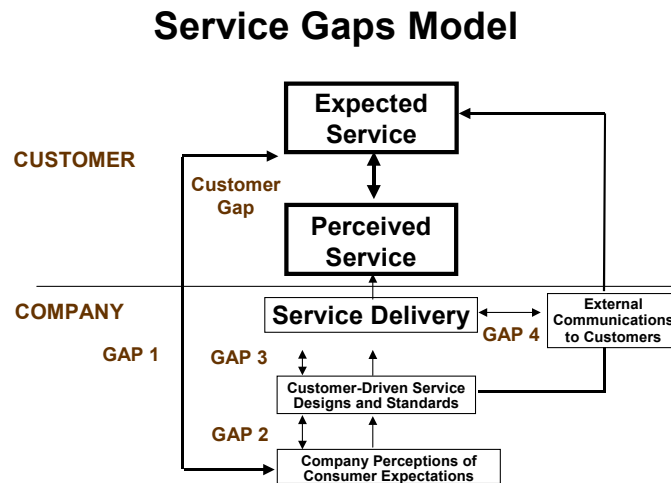


#### EXHIBIT 5 SERVICE PROFIT CHAIN



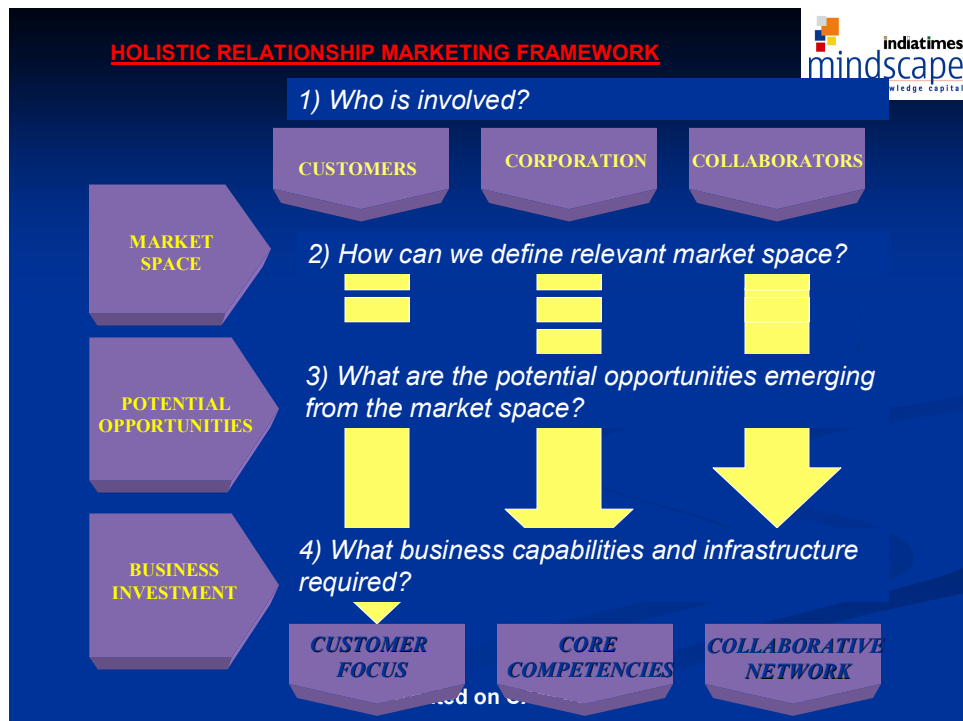
## EXHIBIT 6

### SERVICE GAPS MODEL



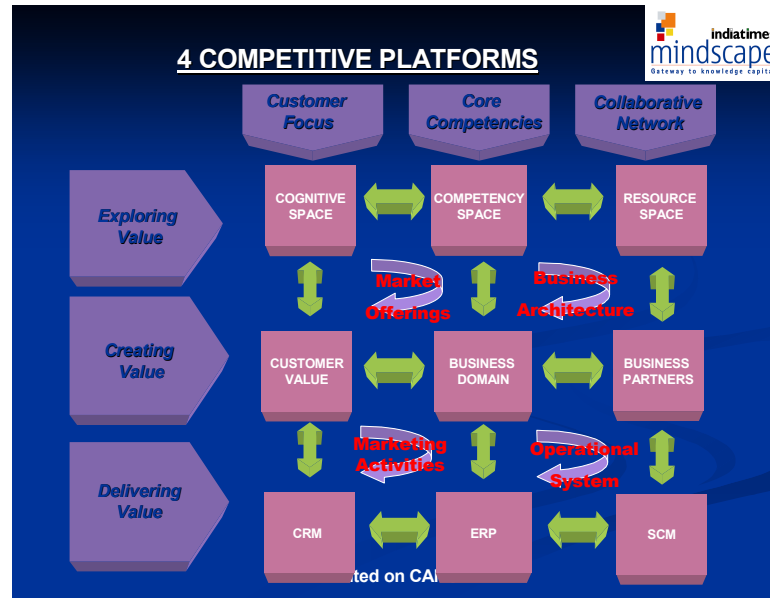
## EXHIBIT 7

### HOLISTIC MARKETING



## EXHIBIT 8

### COMPETITIVE PLATFORMS



## EXHIBIT 9

### EVOLUTION OF NEW MARKETING

**The Evolution of Marketing**

	Transactional Marketing	Relationship Marketing	Collaborative Marketing
Time frame	1950s	1980s	Beyond 2000
View of value	The company offering in an exchange	The customer relationship in the long run	Co-created experiences
View of market	Place where value is exchanged	Market is where various offerings appear	Market is a forum where value is co-created through dialogue
Role of customer	Passive buyers to be targeted with offerings	Portfolio of relationships to be cultivated	Prosumers-active participants in value co-creation
Role of firm	Define and create value for consumers	Attract, develop and retain profitable customers	Engage customers in defining and co-creating unique value
Nature of customer interaction	Survey customers to elicit needs and solicit feedback	Observe customers and learn adaptively	Active dialogue with customers and communities

Adapted from Prahalad and Ramaswamy 2004

