Identification of Market Philosophies and Objectives
CHAPTER – 2

IDENTIFICATION OF MARKETING PHILOSOPHY AND OBJECTIVE

2.1 INTRODUCTION: -

In the preceding chapter we have examined the introduction in which have discussed on following matters need of marketing objectives, formulation of marketing strategy. Component of marketing strategy, selection of target market, marketing mix (4 P’s) factor affecting marketing strategy, research mythology, aspect of the study, plan of study. Limitation of study.

In this chapter, we propose to discuss on identification of marketing philosophies & objectives. Marketing philosophy and objectives is very important for a concern. Marketing philosophy is a consumer oriented that is implemented and integrated though out an organization to serve customers better more competition and achieve goals.

So this chapter name consist of marketing philosophies, objectives of public sector enterprises in Indian marketing objectives.

2.2 MARKETING PHILOSOPHIES: -

As already mentioned marketing is conscious effort to achieve the desired out comes thought exchange process with target markets. The first question that comes up here for enterprises, what philosophy should
Accordingly fine marketing philosophies have been formulated :- Production concept, product concept selling concept, marketing concept, societal concept.

(i) Production Concept: -

The production concept is one of the oldest philosophies, which is guiding the sellers. The production concept holds that customers will favor those products that are available and highly affordable, and therefore management should concentrate on improving production and distribution efficiency. The Production concept is useful in two types of situations - First, where the demand for the product exceeds supply, and second where the production cost is high and improved productivity is needed to bring down it. Therefore the management tries to minimize to the cost through better production technology, cheaper raw material and larger volume sales to reduce fixed overhead impact.

(ii) Product Concept: -

The product concept is another appropriate philosophy which is guiding seller. The product concept hold that consumer will favor those products that offer the most quality, performance and feature and

1 Principal of marketing - Philip Kotler 6th Ed 1989 Prentice Hall of India P 3
2 Ibid - P - 13.
therefore the organization should denote its energy to making continues product improvement.³

Product concept head to be an undue concentrate on the product rather than the need the manufacturing concern think that buyer adopt well made products can appraise product quality and performance and willing to pay more.

(iii) Selling Concept: -

Selling focuses on the needs of seller and pre-occupied with seller need to connect his product in cash. Many manufacturers adopted the selling concept. The selling concept hold, that consumer will not buy enough of organization products unless the organization undertakes a substantial selling and promotional efforts⁴. Usually concept is popular amongst these enterprises which offer the products for which an a equal resistance to buy occurs in the part of the customers. However, this concept is not success when the customer is likely to be dissatisfied and feeling of dissatisfaction can be communicated in customer.

(iv) Marketing Concept: -

The Marketing concept is a recent philosophy. The marketing concept hold that the key to achieve organizational goals consist in determining the need and wants of target market and delivering the desired satisfaction more efficiently and efficiently then the competitors⁵.
So marketing concept herons to express the companies commitment to consumer sovereignty. The company produces what consumer want and in this way it maximize consumer satisfaction and earn it profit. Because consumer not to the product marketing concept is practiced more in consumer goods companies then in industrial goods companies and more in large companies than in small companies.

Indian companies practicing the marketing concept are mostly those in the customer satisfaction as far as H.M.T. is concern, it is following the marketing concept, because H.M.T. (watches) is a consumer product and it is trying to gives the fully satisfaction to the customers and change its marketing strategy as per the consumer behavior and need wants.

(v) Societal Concept:

The societal marketing concept holds that the organizations task is to determine the need, wants and interest of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in away that preserve of enhances consumer's and society's well being. The societal marketing concept is the recent philosophy. So some one raise the question whether companies do its excellent job of sensing, serving and satisfying and individual consumer wants or necessarily acting in the best long-run interests of consumer and society.

So societal concept calls for balancing all three considerations in setting their marketing policies namely: company profits, consumer want and satisfaction and public interest. In recent year, one question name

1Ibid - 15
raised that the marketing concept was an appropriate organizational philosophy in an age of environmental deterioration, resources shortage, explosive population growth, world hunger and poverty, and neglected social services. According to Kotler, societal marketing calls for four considerations in marketing decision making:

- Consumer needs and wants
- Consumer interest
- Company interest
- Society interest

2.3 OBJECTIVES OF THE PUBLIC SECTOR ENTERPRISE IN INDIA:

Public enterprises are the units set up by the govt. These units have two basic objectives: acceleration of economic development in the country and promoting social welfare. Apart from these objectives, public enterprises pursue a number of other objectives which have been summarized in Table 2.1. As per the table, public enterprises' objectives have been classified such as:

1. Economic objectives
2. Non-Economic objectives: include social, political objective.

1. Economic Objectives:

In this part, the following are some of the important objectives have been included:

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8 Administration of public enterprises in India – Jagdish Prasad & Rav Shankar – Himalaya Prakashan, P. 25-27
Public Enterprises Objective

1. To attain the goal of planned economic development.
2. To accelerate the rate of economic growth.
3. Financing the future plan.
4. To fulfill the gap in the industrial and commercial area.
5. To reduce the stagnation caused by the outflow of valuable foreign exchange.
6. To supply essential commodities at reasonable rates in adequate quantity for the general public.

(Economic Objective)

1. Balance regional development.
2. Reduction of disparities in income.
3. Avoiding concentration of wealth and means of production.
4. To help the underprivileged.
5. Cardinal atmosphere between employer and employee.
6. To generate employment opportunity.
7. Provide a model to and complete the private.

(Social Objective) (Political Objective)

Adoption of socialist pattern of the society.
To facilitate treading with socialist countries.
Control over the commanding light of the economy

(Table 2.1)
1. To attain the goal of planned economic development.
2. To accelerate the rate of economic growth.
3. Financing the future plan.
4. To fulfill the gap in industrial and commercial area.
5. To reduce the stain caused by the outflow of valuable foreign exchange.
6. To supply essential commodities at reasonable rates in adequate quantity for general public

2. Non Economic Objectives:

The following two objectives have been classified in this part

(a) Social Objectives:

There are following important social objectives -

1. Balance regional development.
2. Reduction of disparities in income.
3. Avoiding concentration wealth and means of production.
4. To help the under privileged.
5. Cardinal atmosphere between employer and employee.
6. To generate employment opportunity.
7. Provide a model to and competitive with private concern.

(b) Political Objectives:

The following are the political objectives of public enterprises:

1. Adoption of socialist pattern of the society.
2. To facilitate trading with socialist countries.
3. Control over the commanding height of the economy.

OBJECTIVES OF THE H.M.T.:

As per H.M.T. is concern it's corporate objectives & goals is following as –

(i) To encourage the modernisation of Indian though the supply of Engg. Goods and service of world class excellence.
(ii) To maintain technological leadership though continuous efforts to update product technology and manufacturing methods.
(iii) To globalise our operations by developing a mix of international market and businesses.
(iv) To ensure a satisfactory return on capital employee to meet the growth needs and the aspiration of our stakeholder.
(v) To present an active, pleasant and productive working environment.

2.4 MARKETING OBJECTIVES:

The aim of marketing is to satisfy customer needs and wants. Thus marketing objectives are ultimately results desired from performing the marketing objectives functions. The marketing objectives of the public enterprises are following as:

(i) Maximizing sales
(ii) Maximizing profit
(iii) Customer satisfaction
(iv) To expand the market.
(v) Building image of the firm.
(vi) To increase the goodwill of the firm.
(vii) Holding the price line.
(viii) Meeting / Beating / Facing competition.
(ix) Developing the quality of the product.
(x) Maximizing product variety and customer choice.

Public enterprises presume a number of objectives as already mentioned above. In order to maintain their position the public enterprises are expected to generate their own resources and not only to depend upon the funds provided by the Govt. for this purpose. As a result to carry out
## H.M.T. MARKETING OBJECTIVE'S

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>PRIMARY OBJECTIVE</th>
<th>SECONDARY OBJECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Maximizing Sales</td>
<td>Maximizing Profit</td>
</tr>
<tr>
<td>2.</td>
<td>Customer Satisfaction</td>
<td>Holding of Price list</td>
</tr>
<tr>
<td>3.</td>
<td>To Increase the goodwill of the firm</td>
<td>Maximizing production ting and customer choice</td>
</tr>
<tr>
<td>4.</td>
<td>Meeting Beating facing of the firm</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>To increase market share</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Improving the quality of product</td>
<td></td>
</tr>
</tbody>
</table>

(Table 2.2)
the activities in such a way, that more resources can be generated for this purpose. Thus, they are pursuing a number of marketing objectives.

As per H.M.T. has a number of marketing objectives, which follow from the overall objectives. The marketing objectives of H.M.T. have been summarized in Table - 2.2 - The table shows that the marketing objectives are divided as -

(i) Primary objectives (ii) Secondary objectives

Table shows the marketing objectives of H.M.T. have divided into two parts - Primary and secondary objectives, while the primary objectives include - maximising sales, Customer satisfaction, to increase the goodwill of the firm, meeting/beating/facing competition etc. The secondary objectives include - maximising profit, Holding of price list and maximising product variety and customer choice etc. The different objectives he mentioned above, which two objectives can be certified. Which sales value of firm and profit and loss position are shown in the Table 2.3 and 2.4 respectively.

H.M.T. (watches) sales figure has been exhibited in the Table 2.3. As per the Table, H.M.T. (watches) maximum sales was made in the years 1990-91, 1991-92, 1992-93 which was 246.40 crore Rs., 291.61 crore Rs, 240.88 crore Rs consequently and in these aforesaid years percentage growth over base year (1988-89) was maximum also, which was 102, 156 and 129 respectively. But maximum percentage increased over previous year was made 22.16%, 18.34% in the year of 1990-91 & 1991-92 respectively and maximum decreased over previous year was -17.39%, -57.56% and -5.99% in the year 1992-93, 1993-94, 1996-97 consequently.
H.M.T. (WATCHES) SALES

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Year's Sales (in crore)</th>
<th>% Increase or Decrease over Previous Year</th>
<th>Growth (on the base year)</th>
<th>Trend Equation (Y=a+bx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>186.39</td>
<td>-</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>201.71</td>
<td>8.21</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>246.40</td>
<td>22.16</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>291.61</td>
<td>18.34</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>240.88</td>
<td>-17.39</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>102.24</td>
<td>-57.56</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>131.46</td>
<td>28.57</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>179.38</td>
<td>36.45</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>168.63</td>
<td>-5.99</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>167.30</td>
<td>-0.79</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>140.50</td>
<td>-16.17</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>140.61</td>
<td>4.71</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>153.45</td>
<td>9.13</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>

(TABLE -2.3)

Sources - CMIE Report 1988-98
1999-2000 H.M.T. Website
## H.M.T. LTD NET PROFIT/LOSS

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Year</th>
<th>Net Profit/Loss (In crore)</th>
<th>% Increases &amp; decrease over previous year</th>
<th>Margin % PAT/Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1988-89</td>
<td>4.69</td>
<td>-</td>
<td>0.78</td>
</tr>
<tr>
<td>2</td>
<td>1989-90</td>
<td>4.81</td>
<td>2.56</td>
<td>0.79</td>
</tr>
<tr>
<td>3</td>
<td>1990-91</td>
<td>14.51</td>
<td>201.66</td>
<td>2.01</td>
</tr>
<tr>
<td>4</td>
<td>1991-92</td>
<td>26.08</td>
<td>79.74</td>
<td>3.22</td>
</tr>
<tr>
<td>5</td>
<td>1992-93</td>
<td>2.72</td>
<td>-89.57</td>
<td>0.40</td>
</tr>
<tr>
<td>6</td>
<td>1993-94</td>
<td>-119.26</td>
<td>-4484.56</td>
<td>-20.07</td>
</tr>
<tr>
<td>7</td>
<td>1994-95</td>
<td>-79.20</td>
<td>33.59</td>
<td>-11.22</td>
</tr>
<tr>
<td>8</td>
<td>1995-96</td>
<td>-55.89</td>
<td>29.43</td>
<td>-6.78</td>
</tr>
<tr>
<td>9</td>
<td>1996-97</td>
<td>-18.78</td>
<td>66.40</td>
<td>-2.03</td>
</tr>
<tr>
<td>10</td>
<td>1997-98</td>
<td>-23.94</td>
<td>27.8</td>
<td>-14.2</td>
</tr>
<tr>
<td>11</td>
<td>1998-99</td>
<td>-36.7</td>
<td>-53.5</td>
<td>-26.08</td>
</tr>
<tr>
<td>12</td>
<td>1999-2000</td>
<td>-47.79</td>
<td>-37.3</td>
<td>-33.98</td>
</tr>
<tr>
<td>13</td>
<td>2000-2001</td>
<td>-59.18</td>
<td>-24.5</td>
<td>-38.56</td>
</tr>
</tbody>
</table>

*(TABLE – 2.4)*

Sources – (i) CMIE report- 1988-98

(ii) H.M.T. Website
From the year 1993-94 to till 1998-99 growth on the base year are decreasing except 1995-96 in this year it was slightly increased in the year of 1998-99. & 2000-2001 the sales position to 140.61 crore Rs and 153.45 crore from the aforesaid details has exhibited that company sales slightly improved in the forth coming year's. H.M.T. (watches) sales trend equation is $y = 229.6 + 8.58x$ and its composite growth rate is 3.5%.

As per as Table 2.4 is concern, in this table H.M.T. profit/loss has exhibited. As per the Table H.M.T. was the profitable concern till 1992-93. But from year 1993-94 it is reporting losses continuity. In the year 1993-94 it had accumulated huge loss -119.26 crore. Which was the max decreased -4484.86% over previous year and its margin ratio was -20.07%. From the year 1994-95 to 1996-97 its net loss - 19.20 crore Rs, -55.89 crore Rs, and -18.18 crore Rs was decreasing consequently. In these aforesaid year growth over previous year was 33.59% 29.43% and 64.40% decreasing consequently. But from the year 1997-98 & 1998-99 it has increased. In these years growth rate over previous year was -27.8% and 53.5% respectively. Maximum margin ratio was reduced 20.07% and 26.08% in the year of 1993-94 & 1998-99 consequently. In the new million previous year & 1999-2000 & 2000-2001 company losses is inhering 37.3% in 1999-2000 & 24.5% increase in the 2000-2001. It is the matter of anxiety for the company management to reduce the losses.
CONCLUSION: In the conclusion we can say that marketing philosophy & objectives is very important for a concern. Marketing philosophy support to achieve the goal of concern. There are following marketing philosophy— production concept, product concept, selling concept & societal concept, marketing concept, H.M.T. (watches) follow the above marketing philosophy.

H.M.T. is a Govt. enterprises so it is follow the Govt. enterprises objectives. H.M.T. corporate objectives is- (i) to Encourage the modernization of India through the supply of Engg foods and service of world class excellence (ii) To maintain technological leadership through continuous efforts to update product technological and manufacturing method.

(iii) To Globalize our operation by developing a mix of International market & business.

(iv) To insure a satisfactory return of capital employed to meet the growth needs and the aspiration to our stake holder.

(v) To present an active, pleasant and productive working environment.

H.M.T. follow the marketing objectives. There are various marketing objectives, among them H.M.T. have classified its marketing objective in to two heads- (i) Primary objective (ii) secondary objective

In the primary objective have consist (i) maximizing sales (ii) customer satisfaction (iii) To increase the goodwill of the firm (iv) meeting beating and facing competition (v) To Increase market share (vi) improving quality of the product. In the secondary objective have consist
of - (i) Maximizing profit (ii) holding of Price line (iii) maximizing product variety and consumer choice.

H.M.T. (watches) sales figure has been exhibited in the table 2-3. As per the sales table, maximum percentage increase over previous year was 22.16% & 18.34% in the year 1990-91 & 1991-92 respectively; and maximum increased over previous year were since 1992-93, 93-94 and as per the profit & loss table of the H.M.T. (watches), H.M.T. was most profitable concern since 1992-93 but after that it has reporting loss consequently.

But in the new millennium 2000-01 company losses had enhanced 24.5% so It's is the matter of anxiety for the concern. So Company should be try to increases it sales in forth coming year's It can be possible when ever company makes its strategy comparatively to its competitor viz- Titan, Timex, Sakura, Citizen etc.