

A Study of Value Philosophy of Marketing

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Abstract

In Value Philosophy company focuses on delivering value to the customer. While doing this company should keep on following conventional attributes like consumer orientation and satisfaction. But, again satisfaction of customers depends on value delivery. In tangible benefits company can focus on functional utility of the product to enhance customer value. This can be achieved with the help of experience, prestige and brand image. The question remains what exactly the value is in marketing context and how the organizations will be benefited by it. In the later part the researches would try to understand the fundamentals of this and would also try to know the various roots of value delivery. In managing customer expectations, the company promises various things about their product in the urge to attract customers. These promises are made probably after knowing the customer initially perceived value. Most companies only promise what they can deliver and after that they try to over deliver, so that the finally perceived value exceeds initially perceived value.

Keywords: Value delivery, Product & Marketing Concept, Initially & Finally Perceived Value.

I. Introduction

Idea is an essence of marketing. It should go from concept - plane to practice plane and further try to make it into action process. If it happens then we can say it as value deliver process. While applying the concept of marketing, organizations are more focus on product and marketing concept, but less towards value philosophy. In Value Philosophy company focuses on delivering value to the customer. While doing this company should keep on following conventional attributes like consumer orientation and satisfaction. But, again satisfaction of customers depends on value delivery. The question remains what exactly the value is in marketing context and how the organizations will be benefited by it. In the later part the researches would try to understand the fundamentals of this and would also try to know the various roots of value delivery.

In general more the benefits more the value. The benefit can be tangible or intangible. Initially the customers were only bother about utility, but now they want several other things, which is called as bundle of benefits. People do not buy product rather they buy value. For an instance we will take a case of TOYOTA. They are more known for quality. But after detailed analysis it seems that they are more prone towards reliability, safety and quality, which is a core aspect in selling any motor vehicle. For Toyota what they are delivering to customer is not important, but what customer received is more important. In 2009-10 thousand of complaints regarding TOYOTA lodged with American National Highway Traffic System Admin for faulty accelerator peddles. As a result Toyota has recalled their luxury XUVs, brands like Prius, Lexus and pickup trucks. Also they got a penalty of 48.8 million dollar. After doing the research to know the background of disaster. The Company came to know that they went against their fundamental practice of "not to put all eggs in one basket". They have outsourced manufacturing of large no. of components to risky extremes to achieve huge economies of scale. They were dependent on suppliers who were not aware about the culture and good practices of Toyota. It was an attempt of Toyota to dilute the value philosophy of marketing. As a result, Toyota loses its position of No. 1 brand to World's largest car maker General Motors (GM).

In tangible benefits company can focus on functional utility of the product to enhance customer value. This can be achieved with the help of experience, prestige and brand image. Customer value has two parameters in terms of value i.e. initially perceived value and finally perceived value. When the customer is in the initial stage of brainstorming regarding the purchase of the particular product, he considers about various aspects like additional cost of that value and what value he will gain from purchase of that product. This is called as initial perceived value. If the customer finds the initial perceived value more attractive than he ll plan for purchase. After doing the purchase he will assess the actual value v/s initial perceived value and the difference will be term as finally perceived value. It is clear that the value comes with certain costs in almost every case, which ultimately gives certain benefits to customer. The initially and finally perceived value depends upon the interpretation of buyer's analysis. Before finalizing the value, the buyer gathers the data from various sources of information to have a comprehensive outcome. Secondly while perceiving the value, the customers will give different weightage to different parameters of value according to their profiles i.e. needs and wants. If the value exceeds the actual costs then the buyers get fully satisfied. If the values are far ahead than the cost incurred, then customer becomes more loyal to that particular brand. If the company fails to provide the initial perceived value then definitely there will be switch over of the brand.

2. Problems in fulfilling the buyer's initial perceived value

In managing customer expectations, the company promises various things about their product in the urge to attract customers. These promises are made probably after knowing the customer initially perceived value. Most companies only promise what they can deliver and after that they try to over deliver, so that the finally perceived value exceeds initially perceived value. The customers should feel that he is getting proper returns on his investment. This is actually called value delivery. Value delivery does not mean that the product has been offered at a lower price. Here we take an example of TITAN EYE +. Titan never plays on a lower price concept; rather they try to deliver value at a handsome price. After adding a comprehensive value to the product they communicated in a very effective way with the customers and they make sure that they fulfilled the said promise. Titan always focus on two factors i.e. value for money and latest trends in fashion. They are product and value conscious rather than price. In TITAN EYE + they gave bundle of benefits which includes fashionable lenses, frames and glasses. As a result it has a unique brand in that segment.

Table 1. Tangible and Intangible Values:

Tangible Values	Intangible Values
Tangible values includes <ul style="list-style-type: none"> • Functional Value • Economic Value • Convenience Value • Sensory & Aesthetic Value • Service value 	Intangible values includes <ul style="list-style-type: none"> • Social Value • Prestige/Status Value • Sentiment Value • Experience Value • Belief Value

III. Value - Delivery by Virgin Atlantic

Virgin Atlantic, promoted by Richard Branson, is known to be a customer-focused airline that has brought many innovations to the industry. Whether it is the Premium Economy class that offers more legroom and seat width at only a slightly higher price or an in-flight bar for upper-class passengers, the airline's trump card is offer travel comforts, give a good travel experience to the customer and thereby, make him loyal to the airline. Often, Virgin's initiatives in enhancing customer experience from ticket booking to the point of destination have set the standards for others to follow.

Is offering products or services at low prices, making them cheap to the maximum extent and hence affordable, the only way of giving value to the buyer? No, while low cost carriers also gave value by offering flights at low prices and attracting hitherto non-fliers for whom high price of air travel was the real barrier, it is not the only way of giving value. VA offers value in an altogether different way. Upper class is the equivalent of business class on all Virgin Atlantic Airways' flights. Virgin does not offer a traditional First Class cabin service. VA had plotted customer experience, identified the frustration points that travellers of different categories face at airports and in-flight and took steps to eliminate these hassles. Appropriate new facilities and services that would make the customer comfortable were identified and added; of course, pegging up the ticket price of different categories appropriately. The whole package – enhanced benefits at enhanced prices – meant substantial value addition to the customers.

IV. Conclusion

Value philosophy will help the organization and marketing person to respond prominently to the problems of the customers and will also help to deliver the value which is desirable by the customers. The value philosophy should be supported by strategic planning and marketing planning. Value philosophy helps the organizations to come up with new ways of value delivery and such culture helps the organizations to overcome the existing limits in promoting value delivery.

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