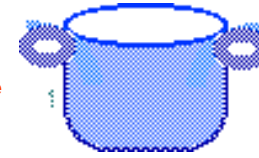


Pans ...

Let's use the example of a pan that we could use to cook the green beans we talked about earlier.



Remember that not so long ago, **almost everything was rare** (in short supply) and was therefore expensive, especially manufactured products. A large majority of people could not afford all of the products they wanted or needed.

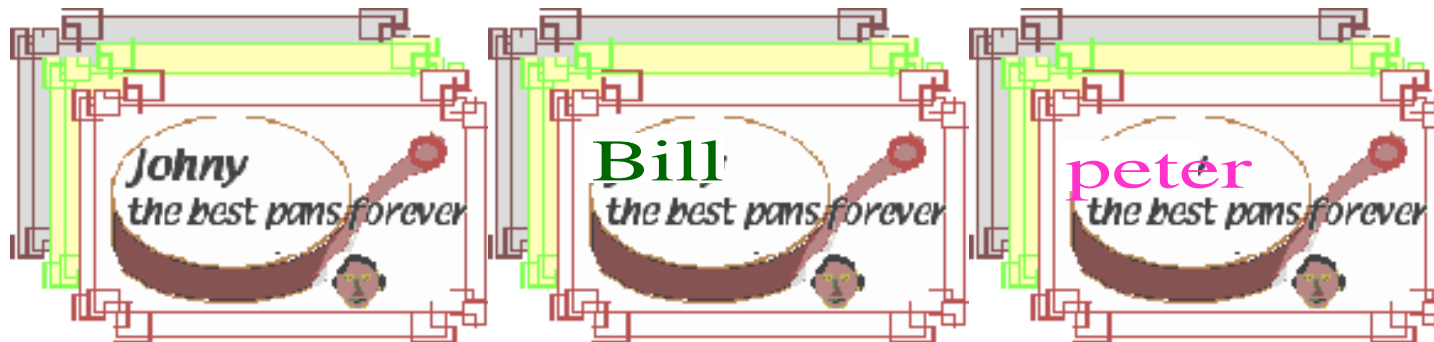
Unfortunately (as said before) this is still the case in many so-called underdeveloped countries, all around earth .

Because of this **shortage of product supply**, all producers were able to easily sell any kind of product as long as it met with legal obligations. Our pan producers did not have any problem finding a solvable demand.

Under these conditions, there was **need of neither innovation nor marketing**, just the need of a kind of repartee. The distribution channels or any salespeople had to just sell "what they were given" .

It explains that this last function, distribution, was often under evaluated by the top management of most companies

However, sometimes, the sales department decided to advertise a bit, just to respect this new mode of communication or possibly under the pressure of any lobby. So one used to represent the virtues and qualities of **his** product under a famous " **I am the best**" slogans.



The Marketing is dead
Long life to the Marketing

(Jean C. Harrari & Nadège Woods) © 10 - 2001 / ISBN I2-95-07777-4-0

Marketing History and environment



then came the industrial revolution.

Production was no longer a problem due to the appearance of large industries and factories. Society was radically transformed and for the first time in history the purchasing power of the population expanded further. For the first time we were able to afford and to use more pans, which were sold at an acceptable price and were of decent quality.

We can simply say that the supply exceeded the solvable demand.

Then it became clear that the pan producers had to find out a way to differentiate their products from the competitor' and to assure that the consumers would buy their pans.

In this new competitive market context, they first decided to use the advertising concept they had once denied and to transform it into a usable business tool.

After the previous "we are the best" slogans, their second way of persuading the consumer was to say "we have been making pans for five generations, so we know the best methods". At the beginning, the lack of knowledge of the consumers made these new advertising methods successful and many producers thought it was the universal panacea for which they were looking.

But, as time went by, they noticed a decrease in the efficiency of this new marketing tool. It was due to a saturation phenomenon (a certain lassitude of the consumer and sometimes even rejection of the concept), a slow change in the consumer's mind and also a rise in the advertising costs.

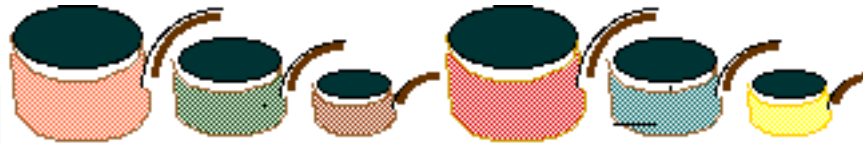
What could the producers do?



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Their 2^{sd} choice was to try to **innovate and to improve their products.**

However it was not that easy considering the level of **technology, financial needs and routine.**



Someones decided to **cut the prices down**

They invested in order to lower their production costs (by using more efficient machines tools) their cost of transportation and later through mass production and work reorganization (following Ford's and Taylor's principles) or by improving their distribution channels from a geographical point of view when looking after customers living elsewhere for instance..

Others tried to **conquer new markets**

Those axes should not be underestimated. They still play an essential part in any company evolution. However, they also brang the **disappearance of some of the smallest and weakest firms**, while giving to the reminders additional market-shares. This is still true nowadays when small enterprises do not adopt a specific and wise enough positioning.

Some more clever ones however looked at the problem another way. They in fact discovered that it was not enough to produce better or cheaper pans, nor to improve some approaches what so ever if not **wondering first what these pans were used for, i.e. who buy them, why, from whom, at which price.**

They did find out one of the main marketing-state of mind

Marketing methods, specific tools and any vocabulary are only peanuts when not based on this logic .

In our example, back to our pans, they were now able to determine that they were facing four different markets:

- the Professional cooks (Chefs) market,
- the gastronome family market,
- the single urban user market,
- the the large family market.



The first two categories would appreciate thick silver pan, the third one is looking for smaller decorated casseroles (that they can hang on the wall of their small kitchen) and the last category obviously needs larger pans....

It was the beginning of the targeting concept.

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