

A New Marketing Paradigm for Creating Global Efficiency and Competitive Advantage of Countries

Nurbek Achilov*

Founder, Member of Board, Managing Director, NGO "G-Global Development Community", Shymkent, UKO 050000, Kazakhstan

Abstract

There are many approaches of understanding of marketing in various countries. On the other hand, a company, which has a global presence, acts similarly in different countries and create different effects for local economies. The paper overviews how marketing plays its role in providing global inefficiency in period of global trends for efficiency. In addition, it aims to uncover key issues of marketing, which create a negative perception of marketing and lead to periodic economic crises in economies. Understanding that many markets of the global environment are not mature for changes, there is a strong necessity to evaluate various issues of marketing and advise some ideas on a new marketing paradigm for accelerating the change for global efficiency in various environments.

Keywords: Marketing paradigm; Competitive advantage; Marketing strategies; Marketing perception; Global efficiency

Today, according to marketing theorists, marketing history passed several stages and now in the social and mobile marketing orientation era [1]. It is a marketing role to move productions in countries to provide populations with new products and services on one hand, and find new forms of channels and instruments to better understand customers and access them in appropriate time on the other hand.

It is no doubt that a fact that we are living in the era of extreme growth of mobile and social media applications and users is a role of marketing. Practically today, there are more than 3.5 billion internet and 4.6 billion of mobile users [2,3] with around 7 billion of mobile phones worldwide [4]. Moreover, there are around 2 billion smartphones [5], which becomes a new trend in a marketing history [6].

With the role of marketing to fulfill the needs of people and create new and attractive products and services [7], it create positive changes around the world, especially in resolving key social and economic issues. This is a contribution of multinational and local companies in industrialization of economies. However, on a micro level of many developing countries, for example, in Kazakhstan many people perceive marketing only as a tool to advertise and promote products and services.

The same with local businesses, which produce products and goods in Kazakhstan. There are many reasons in this perception. First, analyzing local companies, one can find out that all of technologies for production were imported from leading industrialized countries. Moreover, key production resources are also imported from other countries on a constant base. It means that a country, like a robot, simply focuses on manufacturing of ready solutions without understanding how to be effective, improve infrastructure and resolve socio-economic issues on a local level for improving its competitive advantages.

From one hand, building new productions of ready solutions seems as a good sign for economy to grow productions, create jobs and increase economic growth of the country. However, under analysis, almost all companies in Kazakhstan lack strong marketing instruments or perceive marketing only in advertising, PR or analytical work. Such important areas as R&D, product development and customization perceived as a role of research institutes or outsourcing companies. The most important reason is that many countries such as Kazakhstan has not passed in its history a chain of industrial revolution, product development era and other stages of marketing history. These countries

did not formed marketing competencies that allow them to build competitive advantages of their countries.

Under present policies, countries will have periodic crises, which will increase the inefficiency of the global environment by overproduction or extreme use of limited resources. Nor leading economies, nor leading local companies are able to help local economies if they are far from competences of marketing and other business disciplines to build their competitive advantages in near future.

That is a main point of paper why many countries such as Kazakhstan cannot build its competitive advantage effectively and contribute for the global efficiency. On the other side, many leading economies and companies will constantly act inefficiently in managing and using resources too. For example, according to Global Footprint Network, top 10 wasteful countries are the most developed nations, with Australia and South Korea as a number one in the lists for usage and consumption [6]. A main reason of inefficiency of leading companies and nations are in growth from other developing countries, which allow them increase their expenditures for consumption many times, taking unequal competitive advantage on a global marketplace. This is one area of application of new marketing paradigm in resolving economic imbalances of countries.

Therefore, it is demanding to increase the role of new marketing paradigm in companies and state organizations, as well as in international organizations, focusing on new direction of marketing – global efficiency.

However, what are the issues, components and strategies of new marketing paradigm to implement new policies effectively worldwide?

*Corresponding author: Nurbek Achilov, Founder, Member of Board, Managing Director, NGO "G-Global Development Community", Shymkent, UKO 050000, Kazakhstan, Tel: +77019402978; Fax: 7084143355; E-mail: nurbek2020@gmail.com

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It is important to review the ideas of theorists and gurus to define the direction of marketing concept and some elements of marketing for global efficiency.

To illustrate, a marketing guru Phillip Kotler [7] defines the following most important concepts of marketing: segmentation, targeting, positioning, needs, wants, demand, offerings, brands, value and satisfaction, exchange, transactions, relationships and networks, marketing channels, supply chain, competition, the marketing environment, and marketing programs. They are necessary but they are elements of business marketing. For new global marketing paradigm, the components should have scope and elements of efficiency.

Harper Boyd and his colleagues [8] classifies the following common performance criteria and measures that specify corporate business unit and marketing objectives: growth, competitive strength, innovativeness, profitability, utilization of resources, contribution to owners, contribution to customers, contribution to employees and contribution to society. Authors are close to define components of new marketing paradigm, especially with competitive strength and contribution to society, but it requires elements that characterize technical and research elements to develop better models on regional scale.

According to holistic marketing theory, almost everything matters in marketing of the future. The four components of it are relationship marketing, internal marketing, integrated marketing, and socially responsive marketing [9]. The elements are general and the conclusion could be that it requires further investigation in detail how author defined the components for integrated marketing and socially responsive marketing.

Understanding that global efficiency requires improvement of competitive advantages of organizations and countries on a constant base, from my personal view, the following components have a strong value of new marketing paradigm: research and development, product development, customization, feedback, information and communication technologies, global knowledge systems, contribution for global development, contribution for global efficiency, usage of resources and others.

Summarizing all elements and components of marketing concepts above, the following Table 1 offers a matrix of marketing components in organizations and companies with focus on new companies of global efficiency.

The first column of the Table 1 shows a new orientation of marketing concept for companies and organizations. It is a new marketing paradigm, which will definitely change the perception of marketing in various economies to act efficiently for improving competitive advantages of each country so that the world becomes more effective for resolving present issues of limited possessions, overproduction of unnecessary products and excessive usage of resources.

The Table 1 urges also to define “global efficiency” as it might be not clear for many multinational companies, which are acting to produce for global markets, believing that they are creating positive changes with their new products and services.

Hence, according to Answers.com [10], global efficiency is “an ability to optimize how employees, vendors, and suppliers commit to the best ecological practices, eliminate or reduce waste, and productively create safe and reliable consumer products and services”. From Network Science definition [11], “on a global scale, efficiency quantifies the exchange of information across the whole network where information is concurrently exchanged”. Mathematicians [12] try to calculate a formula for global efficiency in their matrix, based on distance and Harary index calculations. However, the final formula of global efficiency has only 5 variables.

In our case, according to our Table 1, global efficiency relates to more than 15 variables. It has relation to not only ecological practices, sustainable issues, waste, safe and reliable products or services, but also to usage of resources, effective supply chains, R&D and many other factors.

Therefore, further study is necessary to analyze the variables and draw a comprehensive model for global efficiency, showing its definition, instruments, relationships with and application in marketing, accounting and other business disciplines. Moreover, a new paradigm of marketing requires further investigation of key

	Companies of global efficiency in future	Present leading companies	Present traditional companies
Goals	Value, Growth and Efficiency Oriented	Profit and Business Efficiency oriented	Profit oriented
R&D	Corporate, business, product, fundamental, technology	Product, Business, Corporate	Business
Products and services	Innovative, efficient, sustainable, globally oriented	Innovative, efficient productions, globally oriented	Manufacturing, local or regionally oriented
Production	Innovative, efficient, sustainable, mobile	Innovative, efficient	Outdated
Supply Chain	Global Efficient and Standard	Global	Local
Marketing Channels	Interactive/Instant Marketing	Marketing Mix	Advertising, PR
Customization	Global Customer Focus	Advanced	Standard
Environment protection	Friendly, Sustainable	Various level	Various
ITC	100% managed systems and applications	Various level	Low
Marketing Technology	Smartphones and Robots	Mobile and Internet	Internet
Knowledge systems	Global, open and interactive	Various level	Absent or elements
Usage of resources	Yes and sustainably	Partly	No
Contribute for global economic development	Yes	Partly	No
Contribute for global corporate culture	Yes	Yes	No
Support of competitive advantage of countries	Yes	Partly	No
Contribute for global efficiency	Yes	Partly	No

Table 1: Matrix of marketing components in companies and organizations.

components of marketing concerning customization, competitive advantages of businesses and countries, innovation policies of countries and other key elements.

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