

## Enlightened Marketing - A Socially Responsible Approach of HLL Kerala

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**Abstract:** Peter F. Drucker defines marketing constitute a core function within an organisation that is critical to its growth and innovation. This comprehensive study explores the concept of enlightened marketing, a socially responsible approach developed in response to criticisms of traditional marketing practices. The research focuses on HLL Lifecare Limited, a central government public sector undertaking in the healthcare sector, to empirically model enlightened marketing practices and assess their impact on long-term company performance. Utilizing a sample of 310 executives selected through proportionate stratified random sampling, the study employs Structural Equation Modelling (SEM) to analyze the relationship between enlightened marketing dimensions of mission-oriented, innovation-oriented, value-oriented, customer-oriented, and societal marketing and the best long-run performance of the marketing system. Key performance indicators such as customer loyalty, market share, regulatory compliance, innovation, and corporate social responsibility are measured to validate the constructs. The findings aim to provide a comprehensive understanding of how enlightened marketing practices contribute to sustainable business success, reinforcing the strategic role of marketing in organisational management and long-term performance.

**Keywords:** Marketing, Marketing System, Enlightened Marketing, Best Long-run Performance

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### Introduction

As defined by Peter F. Drucker in 1954, marketing is more than a set of actions or strategies for promoting and selling products and services; it is an organization's primary function and critical to its success. In today's interconnected world, marketing permeates every aspect of daily life, influencing

nearly all tasks and activities. This pervasiveness of marketing emphasises its importance as a strategic function rather than a cost center. Drucker famously stated that marketing and innovation are the two primary functions of any business, with marketing embodying the actual entrepreneurial role. For an entrepreneur, the success of a company is heavily reliant on the success of its marketing strategy, as it is marketing that identifies market opportunities, crafts strategies to meet consumer needs, and drives overall business growth. This strategic importance of marketing necessitates a deep understanding of market dynamics and consumer behaviour before launching a business to ensure its long-term success.

The concept of enlightened marketing has emerged in response to the evolving criticisms of traditional marketing practices, which are often viewed as harmful to consumers, businesses, and society. Philip Kotler defines enlightened marketing as a socially responsible approach that seeks to meet the needs, wants, and interests of target markets in a way that benefits both consumers and society. This research examines enlightened marketing practices at HLL Lifecare Limited, a healthcare enterprise with Mini Ratna status. The study uses Structural Equation Modelling (SEM) to analyse data from 310 executives to develop an empirical model for enlightened marketing and its impact on the long-term performance of the company's marketing system. The study will examine the critical dimensions of enlightened marketing mission-oriented, innovation-oriented, value-oriented, customer-oriented, and societal marketing and how they relate to key performance indicators such as customer loyalty, market share, and corporate social responsibility. The findings provide a comprehensive understanding of how enlightened marketing practices can drive long-term business success and practical insights for marketers and business leaders, reinforcing marketing's strategic role in organisational management.

Marketing is the actions or strategies to promote and sell products and services, including market research and advertising. Marketing is ubiquitous today; most of our daily tasks and activities are related to and influenced by marketing. Thus, marketing is a pervasive force. Marketing is a central part of an organization rather than just a cost center or peripheral function (Peter F Drucker, 1954). The best growth of an enterprise is guaranteed when this function is carried out almost to the letter. Many companies believe that marketing and business are synonymous. The business has only two primary functions: marketing and innovation (Peter Drucker, 1954). The actual entrepreneurial role of a business is marketing. When an entrepreneur launches a company, he first considers its marketing strategy. This is due to his knowledge that he will be successful in the business if he is successful in the marketing and entrepreneurial roles. It is crucial to examine marketing closely before starting a business to determine whether there is a sufficient market for the product and how to enter it. Strong marketing abilities are necessary for business success. Great entrepreneurs are great marketers. The logic of business is marketing (Peter Drucker, 1954).

### Literature Review

The literature on enlightened marketing demonstrates a multifaceted approach to understanding and applying marketing principles. Early foundational texts like Drucker's (1954) "The Practice of Management" and McCarthy's (1960) "Basic Marketing: A Managerial Approach" set the stage by emphasizing the importance of management and systematic marketing practices. Levitt's (1960) seminal article "Marketing Myopia" and Kotler and Levy's (1969) work on broadening the marketing concept highlight the shift from product-centric to customer-centric approaches. These texts emphasize the need for marketers to focus on consumer needs and behaviours, laying the groundwork for more nuanced marketing strategies. Kotler and Zaltman's (1971) introduction of social marketing underscored the

potential of marketing to address social issues, a theme that evolved into contemporary corporate social responsibility (CSR) discussions, as seen in works by Kotler and Lee (2005).

In the later years, marketing scholarship expanded to include more sophisticated analyses of market orientation, relationship marketing, and the integration of CSR. Jaworski and Kohli's (1993) research on market orientation investigated its causes and consequences, followed by Hunt's (2003) examination of marketing theory controversies. Relationship marketing gained prominence through McKenna (1991) and Gummesson (2002), who stressed the importance of long-term customer relationships. The advent of environmental and green marketing is well-documented in Peattie's (1995, 2001) works, which explore the challenges and opportunities in targeting environmentally conscious consumers. The evolving role of marketing in organizational contexts is captured by Webster (1992) and Sheth et al. (2007), who analyze the strategic shifts and organizational changes required for effective marketing. Collectively, these texts reflect a comprehensive understanding of marketing's evolution from foundational principles to contemporary practices that integrate social, environmental, and relational dimensions.

## **Method**

This study employs a quantitative research design to empirically model enlightened marketing practices and assess their impact on the long-term performance of HLL Lifecare Limited's marketing system. Data were collected from a sample of 310 executives through proportionate stratified random sampling, ensuring representation across various departments within the company. A structured questionnaire was used to collect data on the five dimensions of enlightened marketing: mission-oriented, innovation-oriented, value-oriented, customer-oriented, and societal marketing, as well as their respective key performance indicators (KPIs), such as customer loyalty, market share, and corporate social responsibility. Cronbach's alpha was used to validate the reliability and consistency of the questionnaire items. The data was analysed using Structural Equation Modelling (SEM), which provided a comprehensive assessment of the relationships between enlightened marketing dimensions and the best long-term performance of the marketing system. The SEM analysis included testing for model fit indices to ensure the robustness of the empirical model.

The collected data were analyzed using AMOS software to perform SEM, which allows for examining complex relationships between observed and latent variables. The model's goodness-of-fit was assessed using several indices, including the Chi-square ( $\chi^2$ ) test, Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). These indices helped verify the proposed model's adequacy in explaining the impact of enlightened marketing on the marketing system's long-term performance. The standardized regression coefficients and p-values were analyzed to determine the significance and strength of the relationships among the variables. The results provided insights into how each dimension of enlightened marketing contributes to the overall performance of the company's marketing system, reinforcing the strategic importance of adopting socially responsible marketing practices for sustainable business success.

## **Analysis**

A "system" is an ordered structure comprising multiple independent components, each with its distinct function. A business comprises distinct functional domains such as marketing, finance, human resources, and production. An organization and its market can exchange transactions more efficiently using a marketing system, an interconnected collection of institutions, activities, and functions (W.J. Stanton, 1993). A society's exchanges and the institutions that facilitate them comprise

its marketing system (Philip Kotler, 2005). A system and a sub-system make up the entire marketing system. Marketing institutions like producers carry out production-related tasks, while intermediaries like middlemen and agents add time, location, and possession utilities. The last customer to receive satisfaction is the household consumer.

### **Enlightened Marketing**

Philip Kotler states, "An organization's marketing task is to ascertain the needs, wants, and interests of the target market and accomplish the desired results more effectively and efficiently than competitors in a manner that preserves or enhances the well-being of consumers and society." Enlightened marketing was developed because of social and economic criticisms of traditional marketing and measures taken by businesses, public authorities, and citizen movements to control the detrimental effects of traditional marketing. Enlightened marketing is a marketing philosophy included in the socially responsible marketing category. A company's marketing philosophy should support the best long-term performance of the marketing system. It covers, among other things, legal compliance, ethical value in marketing practices and systems, and social responsibility compliance. Enlightened Marketing is one of these new, all-encompassing, and integrated marketing philosophies. Thus, enlightened marketing is *"an ethical and responsible marketing philosophy that holds a sense of corporate mission, value creation, innovation, customer delight, and social actions, with the objective of long-run success."*

### **Principles of Enlightened Marketing**

According to this marketing theory, a business's marketing initiative should enhance the marketing system's optimal long-term performance. Enlightened marketing has five guiding principles (dimensions): mission-oriented marketing, innovation-oriented marketing, value-oriented marketing, consumer-oriented marketing, and societal-oriented marketing.

#### **Mission-Oriented Marketing (MOM)**

When a company practices mission-oriented marketing, it means that it should define its purpose more broadly in terms of society than in terms of specific products. Employee morale rises, and employees have a clear sense of purpose when a company establishes a social mission. The company's mission is regarded as the rationale for its existence. As a result, the company's marketing strategy should be goal-oriented. The company's purpose and direction are revitalized when the fundamental duty of selling consumer goods is reframed as serving the interests of customers, workers, suppliers, and other stakeholders in the global community.

#### **Innovation-Oriented Marketing (IOM)**

Innovation is the process of putting an invention into commerce. Innovation and marketing are essential to any business and society (Peter et al., 1954). According to innovation-oriented marketing, the business must always look for practical ways to improve its products and marketing strategies. The business should, therefore, be an inventive one. A business that ignores innovative and superior methods will ultimately lose clients to a rival that has discovered a more efficient approach. Creating an innovative culture within the company could facilitate the implementation of innovation-focused marketing strategies.

#### **Value-Oriented Marketing (VOM)**

The value-oriented marketing principle states that most of the company's resources should be allocated to investments that enhance value. Technically speaking, value is the relationship between functions

divided by cost. It is the product's utility feature and comes in various sizes. Building enduring customer loyalty through constant enhancement of the value that customers receive from the company's marketing offers is essential to informed marketing.

### **Customer-Oriented Marketing (COM)**

Customer-oriented marketing refers to a business organizing and planning its marketing initiatives from the customer's perspective. A company's consumer value addition process will improve if it successfully meets customer expectations. It acknowledges that the customer is the centre of the marketing system and that all marketing initiatives aim to ascertain and meet the consumer's needs, wants, and preferences.

### **Societal Marketing (SM)**

A tenet of enlightened marketing is that businesses should weigh the needs of their consumers, their requirements, society's long-term interests, and their own. A business that uses the societal marketing concept understands it is doing consumers and society a disservice when it disregards their long-term interests. A business focused on society strives to create products that are useful to the environment, society, and consumers and are aesthetically beautiful.

### **The best long-run Performance of a marketing system**

The best long-run Performance of a Marketing System refers to the alignment or relationship between the marketing department's stated goals and objectives with actual results. It is measured using key performance indicators (KPIs), including marketing policies, principles and practices, Strong customer loyalty, market share and leadership, training and development for value creation, transparency in marketing practices and procedures, a well-established system of marketing information and intelligence, Ensuring regulatory compliance to marketing related activities, Consistency and growth in profitability Better stakeholder relationships in the marketing system, Best innovation practices and possessing high potential for innovation, Professionalism in marketing, Best CSR practices, Better industry and academy linkages, return on investment, cost per sale, conversion rate, customer lifetime value, etc. Marketing performance metrics and key performance indicators (KPIs) are valuable tools for tracking marketing's progress towards long-term objectives and measuring the extent to which marketing expenditures contribute to profits, as the need for marketers to demonstrate a return on investment (ROI) on their operations grows.

### **Empirical Model of Enlightened Marketing**

The measurement of the Best Long-run Performance of the Marketing System of the company (HLL Lifecare Ltd) is analysed using thirteen statements such as:

- a. Modern marketing policies, principles, and practices (BLP<sub>1</sub>),
- b. Transparency in marketing procedures and practice (BLP<sub>2</sub>),
- c. Well-established marketing information and intelligence system (BLP<sub>3</sub>),
- d. Modern training and development for value creation (BLP<sub>4</sub>),
- e. Strong customer loyalty (BLP<sub>5</sub>),
- f. The company has a significant market share and leadership (BLP<sub>6</sub>),

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- g. Ensure regulatory compliance to marketing-related activities (BLP<sub>7</sub>),
- h. Consistency and growth in profitability (BLP<sub>8</sub>),
- i. Possess better stakeholder relationships in the marketing system (BLP<sub>9</sub>),
- j. Follow best innovation practices and possess high potential for innovation (BLP<sub>10</sub>),
- k. Follow professionalism in marketing (BLP<sub>11</sub>),
- l. Follow best CSR practices (BLP<sub>12</sub>), and
- m. Maintains better industry and academy linkages (BLP<sub>13</sub>).

These constructs are validated after reliability analysis. Structural Equation Modelling was used for construct validation to examine the relationship between variables under study in terms of the impact of Enlightened Marketing on the Best long-run performance of the company's marketing system and the overall performance of the corporates (Table 1).

**Table 1: Impact of Enlightened Marketing on the Best Long-run Performance - Structural Equation Modelling**

Variables			Un-standardized coefficient (B)	S.E of B	CR	Standardised coefficient (β)	p-value
BLP	<input type="checkbox"/>	EM	0.250	0.032	7.786	1.000	<0.001**
MOM	<input type="checkbox"/>	Enlightened Marketing (EM)	1.000			0.570	
IOM	<input type="checkbox"/>		1.870	0.277	6.754	0.668	<0.001**
VOM	<input type="checkbox"/>		1.406	0.207	6.804	0.676	<0.001**
COM	<input type="checkbox"/>		1.128	0.180	6.254	0.599	<0.001**
SM	<input type="checkbox"/>		0.649	0.112	5.786	0.539	<0.001**
BLP-13	<input type="checkbox"/>		Best Long-run Performance (BLP)	1.000			0.840
BLP-12	<input type="checkbox"/>	1.134		0.077	14.663	0.882	<0.001**
BLP-11	<input type="checkbox"/>	1.134		0.073	15.587	0.912	<0.001**
BLP-10	<input type="checkbox"/>	1.125		0.073	15.307	0.903	<0.001**
BLP-9	<input type="checkbox"/>	1.153		0.080	14.486	0.876	<0.001**
BLP-8	<input type="checkbox"/>	1.033		0.067	15.441	0.907	<0.001**
BLP-7	<input type="checkbox"/>	0.994		0.068	14.663	0.882	<0.001**
BLP-6	<input type="checkbox"/>	1.165		0.071	16.430	0.936	<0.001**
BLP-5	<input type="checkbox"/>	1.166		0.068	17.114	0.955	<0.001**
BLP-4	<input type="checkbox"/>	0.967		0.072	13.389	0.838	<0.001**
BLP-3	<input type="checkbox"/>	1.047		0.070	14.887	0.890	<0.001**
BLP-2	<input type="checkbox"/>	0.974		0.069	14.190	0.866	<0.001**
BLP-1	<input type="checkbox"/>	0.514		0.119	4.327	0.340	<0.001**

*Source: Primary data*

Analysis of the impact of enlightened marketing on the best-long-run performance of the marketing system, the structural equation model shows that enlightened marketing practices create a significant impact on the best-long-run performance of the marketing system of the company due to the recommended standardised regression coefficient being more than 0.4. The p-value is also significant at 5 % (Figure 1). Hence, it can be concluded that Enlightened Marketing practices have a positive impact or support for the best long-run performance of the company's marketing system under study. The Model fit values are also favourable, which means that the Structural Equation Model (Empirical Model) developed in the study fits the concept and philosophy of Enlightened Marketing.

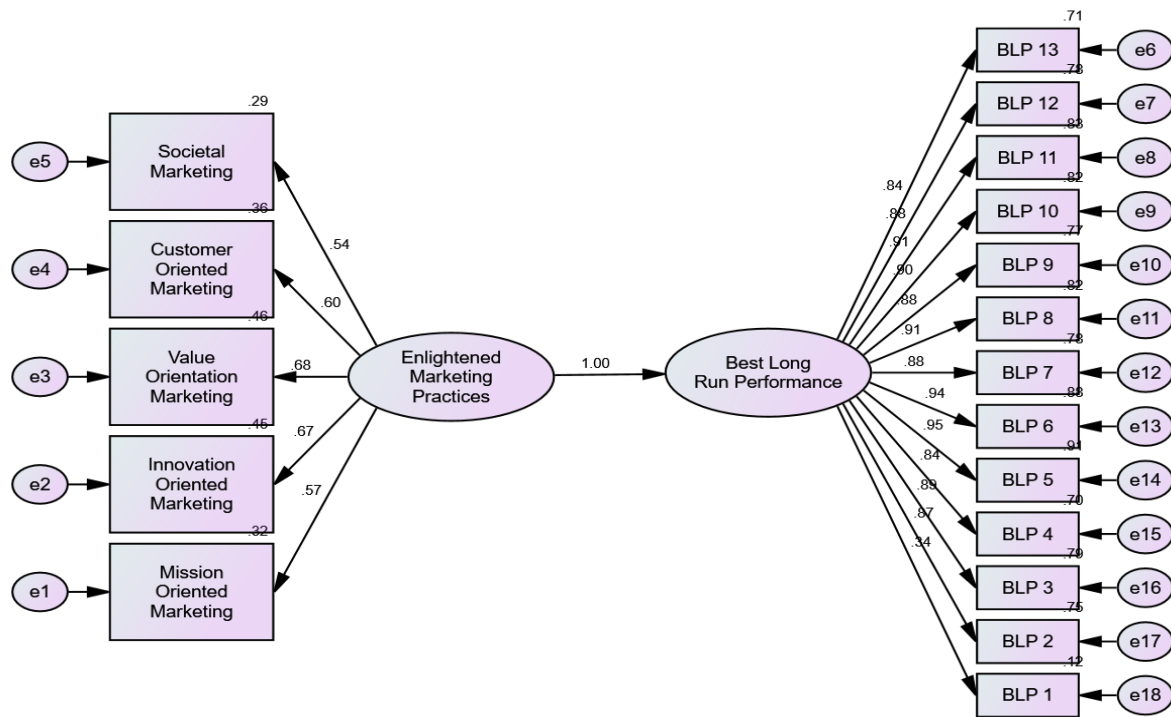


Figure 1. Enlightened Marketing Practices on the Best Long-run Performance

### Result

The analysis presented in Table 1 demonstrates the significant impact of enlightened marketing practices on the best long-run performance of the marketing system in HLL Lifecare Limited. The structural equation modelling (SEM) results reveal that the standardized regression coefficient ( $\beta$ ) between enlightened marketing (EM) and best long-run performance (BLP) is 1.000, with a p-value of  $<0.001$ , indicating a strong and statistically significant relationship. This implies that enlightened marketing practices positively influence the long-term performance of the marketing system within the company.

Further examination of the sub-components of enlightened marketing, mission-oriented Marketing (MOM), Innovation-Oriented Marketing (IOM), Value-Oriented Marketing (VOM), Customer-Oriented Marketing (COM), and societal marketing (SM) shows that each dimension has a positive and significant impact on enlightened marketing. The standardised coefficients for these dimensions range from 0.539 to 0.676, all with p-values less than 0.001, indicating strong and statistically significant relationships. These results highlight that all aspects of enlightened marketing contribute positively to the overall concept of enlightened marketing.

The analysis of the best long-run performance indicators (BLP-1 to BLP-13) shows solid and significant standardised coefficients ranging from 0.340 to 0.955, with all p-values less than 0.001. This indicates that the best long-run performance, such as customer loyalty, market share, regulatory compliance, innovation, and corporate social responsibility, are all positively influenced by the best long-run performance of the marketing system. The model fit values are also favourable, suggesting that the empirical model developed in the study is appropriate for capturing the concept and philosophy of enlightened marketing. Consequently, it can be concluded that enlightened marketing practices significantly support and enhance the long-term performance of the marketing system in HLL Lifecare Limited. This underscores the strategic importance of adopting enlightened marketing principles for sustainable business success.

### Discussion

The empirical model developed in this study provides robust evidence supporting the positive impact of enlightened marketing practices on the long-term performance of the marketing system at HLL Lifecare Limited. Enlightened marketing, as conceptualised in this research, encompasses a range of forward-thinking and ethically driven marketing practices, including Mission-Oriented Marketing (MOM), Innovation-Oriented Marketing (IOM), Value-Oriented Marketing (VOM), Customer-Oriented Marketing (COM), and Societal Marketing (SM). Each of these dimensions significantly contributes to the overall construct of enlightened marketing, as indicated by the substantial and statistically significant standardized coefficients ranging from 0.539 to 0.676. This highlights the multifaceted nature of enlightened marketing and its comprehensive approach to fostering sustainable business practices.

The analysis of the best long-run performance indicators (BLP-1 to BLP-13) further validates the effectiveness of enlightened marketing. These indicators cover various performance metrics, including customer loyalty, market share, regulatory compliance, innovation, profitability, and corporate social responsibility. The precise and significant standardised coefficients for these indicators, ranging from 0.340 to 0.955, underscore the holistic improvement in the marketing system's performance driven by enlightened marketing practices. This comprehensive improvement suggests that companies adopting enlightened marketing are better equipped to navigate the complexities of the modern market environment, ensuring sustainable growth and competitive advantage.

The findings of this study emphasise the strategic importance of enlightened marketing in achieving long-term success. By integrating ethical considerations, customer-centric approaches, and innovative practices, companies can enhance their marketing system's effectiveness and contribute to broader societal goals. The favourable model fit values indicate that the empirical model is well-suited for capturing the essence of enlightened marketing, providing a valuable framework for future research and practical application. These insights reinforce the need for businesses to embrace enlightened marketing principles as a pathway to sustainable business success and long-term stakeholder value creation.

### Conclusion

Because of the detrimental effects that traditional marketing techniques have on society, other businesses, and individual consumers, they have drawn criticism from various socioeconomic perspectives. As a result, various movements, such as consumerism and environmentalism, arise. One of these movements was business actions, leading marketers to consider new marketing philosophies or concepts. Marketing is a dynamic discipline that has continued to evolve through different stages and



concepts. A new marketing philosophy based on principles is called enlightened marketing. Since marketing is regarded as "the creative use of truth," these principles presuppose that its objective is to maximise life quality for people worldwide rather than to maximize profit, consumption, or consumer choice (Philip Kotler, 1980, p.30).

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