

# Chapter One

## **WHAT IS MARKETING AND WHAT IS THE STATE OF THE SECTOR?**

The first thing we need to do is nail the 'what is marketing?' question. Because once you are clear about what marketers do, you can decide which part of the marketing process interests you most and push on with your marketing career.

Essentially, marketing is a communication process which enables people and communities of all descriptions to discover, and buy, both current and new products and services that will satisfy their needs and desires.

One of the best definitions comes from Adcock et al. (2001), lecturers at Coventry and Warwick universities, who said, 'Marketing is about getting the right goods (or services) in the right quantity, to the right place, at the right time and making a profit out of the operation.'

Marketing has many different functions that vary at different stages of the business life cycle. For instance, research will be carried out by marketers at the early stages of a product or service's life. Marketers will be responsible for the efficient distribution of what is being sold and this in my view includes the promotional activity (namely sales) that the majority

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of companies will use to achieve their objectives. Not everybody agrees with me, but I take the view in these pages that the sales department is an integral part of the marketing process.

**GOOD MARKETING**

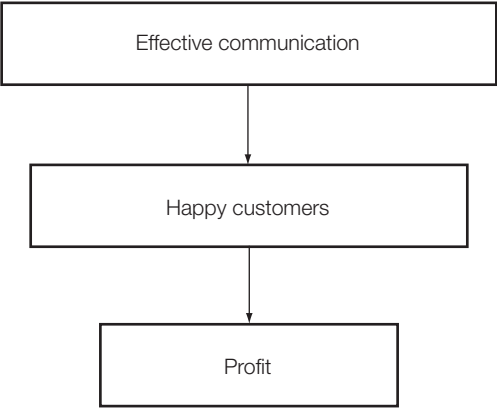
You don't have to just take my word for it. There is plenty of evidence that many of the movers and shakers in the world of business appreciate what good marketing will do for their company. Lee Iacocca, an American businessman most commonly known for his revival of the Chrysler Corporation in the 1980s, took the view that having good ideas is one thing 'but if you cannot get them across, your ideas will not get you anywhere'.

The search for a satisfactory answer to the 'what is marketing?' question is hampered by the fact that the word marketing, like the word strategy, is regularly shoehorned into sentences by anyone who wishes to appear businesslike.

This means that you can now see the word marketing being used over and over again when a more specific term would have added clarity to what was being said.

In the words of Joe Saxton, chair of Charity Communications, 'Marketing is probably the single most abused and misused word.' He continued,

Figure 1 Good marketing outcomes



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'We have a Head of Marketing – this particular title could be a fundraising role, a branding role, a communications role or a services role.'

This misuse of the word marketing has clouded not just the understanding of its meaning but also its importance to UK commerce. However, this misuse hasn't put off the many influential fans of marketing, as you can see from the quotes below.

'Half the money I spend on advertising is wasted, and the problem is I do not know which half.'

Lord Leverhulme 1851–1925, British philanthropist and founder of Unilever  
(in Ogilvy (1980))

'For a business not to advertise is like winking at a girl in the dark. You know what you are doing but no one else does.'

Attributed to Steuart H. Britt, US advertising consultant

'Unless your campaign has a big idea, it will pass like a ship in the night.'

David Ogilvy, (Ogilvy (1980)). See Chapter Six for more about David Ogilvy

'Marketing takes a lifetime to master.'

Philip Kotler, US marketing guru (Kotler (2003))

Finding a fan of marketing is one thing, finding a satisfactory definition of marketing is another. Some of the better ones concentrate on the process of satisfying customer needs. Philip Kotler, an American professor once described as 'the world's foremost expert on the strategic practice of marketing', described marketing as 'the social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others'; and the Chartered Institute of Marketing (CIM) rather neatly explains marketing as the 'management process to identify this anticipates and satisfies customer requirements profitably'.

Trying to pin down the state of the marketing sector is not easy because of the pace of change; and yes you've guessed it, if marketing itself is always changing then so are the definitions. So let's check out some of the new ones.

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The American Marketing Association (AMA) states

*'Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders'*

The Chartered Institute of Marketing (CIM) has acknowledged the changing times and has revised its 30 year old definition, proposing to define marketing as

*'a business function that creates value by stimulating, facilitating and fulfilling customer demand. It does this by building brands, nurturing innovation, developing relationships, creating good customer service and communicating benefits. With a customer-centric view, marketing brings positive return on investment, satisfies shareholders and stakeholders from business and the community, and contributes to positive behavioural change and a sustainable business future.'*

(CIM 2006)

This definition still describes the same aims, but reflects the different ways in which they might be accomplished given these new economic and technological times.

So we know that marketing is essentially a term used broadly to cover many aspects of a company's brand, advertising and promotional strategies and the process of identifying customer needs, looking at how to meet them and the best way to generate profit. So much for definitions, let's look at the functions of marketing. Let's see what marketing people do.

If you are an accountant, some might say it's easy to describe what you do. For instance, the financial year is over, and the books are passed to the accountant who prepares a set of accounts for the taxman. Nice and simple. (OK simplistic!) You won't be surprised to hear that describing what the marketer does is more difficult.

Take a look at Figure 2. This illustrates the development of many businesses as they mature through the four stages. You will see that marketing has a number of quite different roles.

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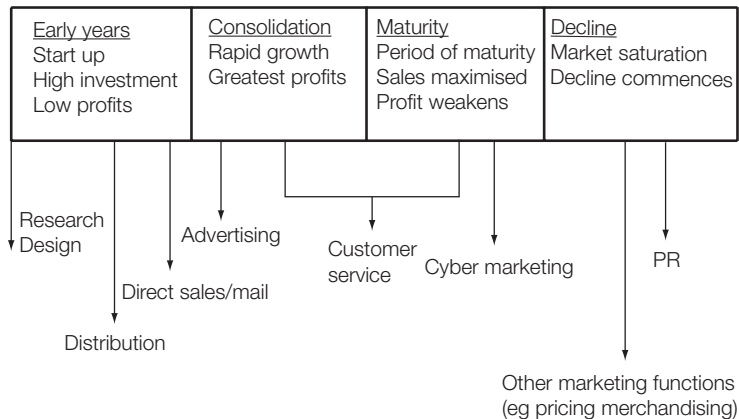
When a product or service is at the design stage marketing researchers might target some focus groups to pinpoint what this kind of market segment will be receptive to.

When the product or service is launched the advertising department will swing into action, and when it needs to be sold, sales teams will hit the streets and the telephones and internet, while customer service teams deal with problems and complaints.

The functions of marketing weave their way through the life of the business or product and the marketing department deals with these tasks as and when they occur, and a marketing specialist deals with a particular function like advertising or PR on a permanent basis.

The diagram illustrates key indicators of success or failure (ie turnover, profit) and activity (in this case marketing activity such as research, distribution, sales) during the life of a particular product or service. What follows is an attempt to illustrate how the role of the marketer will vary during this period of time.

Figure 2 Marketing activity



Enough of marketing activity, lets talk about parties. Can you explain what different marketers do in the context of being at a party? Yes you can!

You see the boss of a big marketing agency at a party.  
You go up to her and say, 'I'm a fantastic Marketer.'

**That's Direct Marketing**

You're at a party with a bunch of friends and see the boss of a big marketing agency. One of your friends goes up to her and pointing at you says, 'He's a fantastic marketer.'

**That's Advertising**

You're at a party and you see the boss of a big marketing agency. You go up to her and get her telephone number. The next day you call and say, 'Hi, I'm a fantastic marketer.'

**That's Telemarketing**

You're at a party and you see the boss of a big marketing agency. You get up and straighten your tie; you walk up to her and pour her a drink. You open the door for her, pick up her bag after she drops it, offer her a ride, and then say, 'By the way, I'm a fantastic marketer.'

**That's Public Relations**

You're at a party and you see the boss of a big marketing agency. She walks up to you and says, 'I hear you're a fantastic marketer.'

**That's Brand Recognition**

Marketers have a broad range of promotional activities to choose from, in fact the sky is quite literally the limit: I know of a night club owner who spent a fortune having an aeroplane banner flown up and down the coast over the crowded Spanish beaches one summer, while another client of mine hired someone to stand in the rain outside a tube station with a sandwich board around his neck.

Either of these activities may benefit your company and may even meet with some success. The checklist below is not exhaustive but it illustrates just some of the many different promotional activities that the marketer has at his or her disposal. Having done the preparation, such as market

and product research, the task of the marketer is to cherry pick the marketing methods that would fit best into their strategy and to build these activities into a campaign which is both practical and imaginative enough to achieve their goals.

## **WHAT ARE THE OPTIONS?**

- Advertise in catalogues and business directories, newspapers (national or local, including free press), on radio and TV, brochures, magazines, and trade journals.
- Get editorial coverage in any of the above by distributing press releases.
- Advertise in the shop windows, on posters, billboards, sandwich boards and your own vans or aeroplane banners.
- Use e-marketing – via your own website or advertising on other people's websites.
- Distribute leaflets through doors in areas where you think there may be potential customers (known as a 'leaflet drop').
- Send out direct mail marketing– either by post or via the internet.
- Organise a direct sales campaign (cold calling).
- Attend/exhibit at trade fairs.
- Organise your own promotional event.
- Give promotional talks.
- Sponsor an event or product.
- Organise a competition.
- Offer promotional gifts (known as merchandising).
- Offer discounts, special offers and bargains – eg 'buy one get one free' offers (known in the trade as 'BOGOFs') and loss leaders (which draw the customers in to buy, although they are priced to make a loss).

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- Work with other businesses to help each other – known as ‘partnership marketing’.
- Create referrers (‘centres of influence’) by building good relationships with customers and supply/distribution chains.
- Network and gain contacts and recommendations by word of mouth.
- Cross selling – using one product to help promote another.

And many more!

## Outside influences – market forces

There is a bigger picture to consider, one that contains what we shall refer to as market forces such as:

- the economy (eg new budget initiatives)
- social circumstances (eg environmental issues like global warming)
- political decisions (eg policy decisions such as election pledges).

They can change everything and often do.

Many a marketing professional has come to grief because they did not consider the bigger picture or the marketing environment. This bigger picture is home to market forces which can stop your campaign for the product in its tracks and seriously dent your career.

I remember hearing a story about a marketer who meticulously planned the launch of a brand-new alcopop just before a barrage of adverse publicity hit the airwaves following stories of binge drinking among underage drinkers in our high streets and market towns. The market force in this case was the growing public belief that companies apparently target young drinkers.

‘Authentic marketing is not the art of selling what you make but knowing what to make. It is the art of identifying and understanding customer needs and creating solutions that deliver satisfaction to the customers, profits to the producers and benefits for the stakeholders.’

Philip Kotler (Kotler (1988))

The marketing environment contains many factors that could, if you don't pay proper attention to them, spell the ruin of a carefully planned campaign. These factors could be environmental, legal, social, economic, technological or political. The pneumonic PESTLE is a way of remembering what the market forces are.

### **Market forces**

These should be considered as part of any marketer's research when, for instance planning a product launch.

|                       |                                                                    |
|-----------------------|--------------------------------------------------------------------|
| <b>P</b> olitical     | Change in Government<br>Policy changes eg health<br>Interest rates |
| <b>E</b> conomic      | Minimum wage<br>Redundancies<br>Workforce movement eg forces       |
| <b>S</b> ocial        | Leisure time<br>Sport<br>Fashion<br>Double glazing                 |
| <b>T</b> echno        | Communications<br>IT<br>Equipment/machinery                        |
| <b>L</b> egal         | Changes in legislation<br>Currency changes<br>Insurance increases  |
| <b>E</b> nvironmental | Waste management<br>Save trees<br>Green issues                     |

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Even Henry Ford fell foul of market forces when he tried to launch his pride and joy, the new Edsel car, on 4 September 1957. Amid much fanfare and hype the launch campaign failed to inspire his sceptical customers and it ground to a halt. This failure is still discussed, but the general consensus is that Ford didn't have its finger on the pulse of what Americans wanted. Ford thought that technology would carry the day but social forces dictated otherwise; \$400,000,000 and two years later the Edsel was discontinued.

Coca-Cola, like Henry Ford, failed to spot a social trend in the form of the public's changing taste buds. Their new flat-tasting and overly sugary Coke's advertising campaign lost its fizz, forcing Coca-Cola to switch back to their original formula.

A classical technological market force brought the house down at a Microsoft press event when audience members were treated to the sight of Windows 98 crashing before their very eyes as Bill Gates laughingly said, 'That must be why we were not shipping Windows 98 yet.'

Numerous other examples exist of wars and recessions – for instance killing off new product launches, and campaigns being stopped in their tracks by legal and environmental pressures. You may forget PESTLE but it won't forget you.

I have tried in the pages of this first chapter to give you a flavour of marketing theory and its relevance in today's workplace. If you want to learn more about theory, there are other books to read – see the resource section for details.

This book is now going in a different direction because we're going to talk about the marketing industry today and what roles exist for those who choose marketing as a career.

# About the author

Andi Robertson was born in South Devon in 1959 and educated at Kingsbridge School. He set up his own marketing and sales consultancy business in 1982. After 22 years of sales and management experience in London and then back home in Devon, he opted for a change of career and became a mature student. Getting a BA and the Certificate of Education enabled him to become a business advisor and lecturer.

In 2001 Andi was diagnosed with Parkinson's disease, and a combination of personal and professional interest fuelled subsequent research and the establishment of the Disabled Entrepreneurs Project which helps disabled people start up their own business.

He has also written articles on marketing, disability and small business issues for regional newspapers and national magazines and has won two small prizes for his short stories. In October 2006 his first book, *Working for Yourself Uncovered*, was published by Trotman.

Travelling has always featured in Andi's life but he was always delighted to come home to the South Hams (Devon) where he was born, grew up and lives with his wife, Jane. They have four children: Laura, Rosie, Charli and Alex.

To see more of Andi's writing visit [www.holmeconsultants.co.uk](http://www.holmeconsultants.co.uk).

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