DEFINING MARKETING FOR THE NEW CENTURY

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Abstract

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. Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. Marketing are skilled at managing demand: they seek to influence its level, timing, and composition for goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. They also operate in four different marketplaces, consumer, business, global, and nonprofit. Marketing is not done only by the marketing department. It needs to affect every aspect of the customer experience. To create a strong marketing organization, marketers must think like executives in other departments, and executives in other departments must think more like marketers. Today's marketplace is fundamentally different as a result of major societal forces that have resulted in many new consumer and company capabilities. These forces have created new opportunities and challenges and changed marketing management significantly as companies seek new ways to achieve marketing excellence.

Keywords : marketing, marketing management, the new century

INTRODUCTION

Formally or informally, people and organizations engage in a vast number of activities we could call marketing. Good marketing has become increasingly vital for success. But what constitutes good marketing is constantly evolving and changing. The election of Barack Obama as the 44th President of the United States was attributed, in part, to the adoption of new marketing practices. Good marketing is no accident, but a result of careful planning and execution using state-of-the-art tools and techniques. It becomes both an art and a science as marketers strive to find creative new solutions to often-complex challenges amid profound changes in the new century marketing environment. (www.barackobama.com).

THE IMPORTANCE OF MARKETING

The first decade of the new century challenged firms to prosper financially and even survive in the face of an unforgiving economic environment. Marketing is playing a key role in addressing those challenges. Finance, operations, accounting, and other business functions won't really matter without sufficient demand for products and services so the firms can make a profit. In other words, there must be a top line for there to be a bottom line. Thus financial success often depends on marketing ability.

Marketing's broader importance extends to society as a whole. Marketing has helped introduce and gain acceptance of new products that have eased or enriched people's live. It can inspire enhancements in existing products as marketers innovate to improve their position in the marketplace. Successful marketing builds demand for products and services, which, in turn, creates jobs. By contributing to the bottom line, successful marketing also allows firms to more fully engage in socially responsible activities.

CEOs recognize the role of marketing in building strong brands and loyal customer base, intangible assets that contribute heavily to the value of a firm. Consumer goods makers, health care insurers, nonprofit organizations and industrial product manufacturers all trumpet their latest marketing achievements. Many now have a chief marketing officer (CMO) to put marketing on a more equal footing with other C-level executives such as the chief financial officer (CFO) or chief information officer (CIO).

Making the right marketing decisions isn't always easy. One survey of more than a thousand senior marketing and sales executives revealed that although 83 percent felt that marketing and sales capabilities were a top priority for their organization's success, in rating their actual marketing effectiveness, only 6 percent felt that they were doing an "extremely good" job.

Marketers must decide what features to design into a new product or service, what prices to set, where to sell products or offer services, and how much to spend on advertising, sales, the Internet, or mobile marketing. They must make those decisions in an Internet-fueled environment where consumers, competition, technology, and economic forces change rapidly, and the consequences of the marketer's words and actions can quickly multiply (Philip Kotler and Kevin Lane Keller, 2012).

As Domino's learned, in an era of connectivity, it is important to respond swiftly and decisively. While marketers were coming to grips with this increasingly wired world, the economic recession of 2008 – 2009 brought budget cuts and intense pressure from senior management to make every marketing dollar count. More than ever, marketers need to understand and adapt to the latest marketplace developments. As greatest risk are firms that fail to carefully monitor their customers and competititors, continuously improve their value offerings and marketing strategies, or satisfy their employee, stockholders, suppliers, and channel partners in the process.

Skillful marketing is a never-ending pursuit. Consider how some top firms drive business:

- OfficeMax promoted a new line of products by professional organizer Peter Walsh with Web videos and in-store events featuring local experts demonstrating his OfficeMax-branded organizing system.
- eBay promoted its "Let's Make a Daily Deal" holiday promotion by recreating the famous 1970s TV game show Let's Make a Deal in Times Square, adding an online component so people outside New York City could play.
- Johnson & Johnson launched BabyCenter.com to help new parents. Its success is thought to have contributed to subscription slumps experienced by parenting magazines.

Good marketers are always seeking new ways to satisfy customers and beat competition (www.domino.ca).

THE SCOPE OF MARKETING

To prepare to be a marketer, you need to understand what marketing is, how it works it, and what is marketed.

What Is Marketing ?

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitability." When eBay recognized that people were unable to locate some of the items they desired most, it created an online auction clearinghouse. When IKEA noticed that people wanted good furnishings at substantially lower prices, it created knockdown furniture. These two firms demonstrated marketing savvy and turned a private or social need into a profitable business opportunity.

The American Marketing Association offers the following formal definition: *Marketing is the activity, set of instructions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*. Coping with these exchange processes calls for a considerable amount of work and skill. Marketing management take place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see **marketing management** *as the art and science of choosing target markets and getting, keepng, and growing customers through creating, delivering, and communicating superior customer value*.

We can distinguish between a social and a managerial definition of marketing. A social definition shows the role marketing plays in society; for example, one marketer has said that marketing's role is to "deliver a higher standarf of living." Here is a social definition that serves our purpose: *Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.*

Managers sometimes think of marketing as "the art of selling products," but many people are surprised when they hear that selling is not the most important part of marketing! Selling is only the tip of the marketing iceberg. Peter Drucker, a leading management theorist, puts it this way:

There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

When Nintendo designed its Wii game system, when Canon launched its ELPH digital camera line, and when Toyota introduced its Prius hybrid automobile, these manufacturers were swamped with orders because they had designed the right product, based on doing careful marketing homework (Philip Kotler and Kevin Lane Keller, 2012).

What Is Marketed?

Marketers market 10 main types of entities: goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. Let's take a quick look at these categories.

GOODS Physical goods constitute the bulk of most countries' production and marketing efforts. Each year, U.S. companies market billion of fresh, canned, bagged, and frozen food products and millions of cars, refrigerators, televisions, machines, and other mainstays of a modern economy.

SERVICES As economies advance, a growing proportion of therir activities focuses on the production of services. The U.S. economy today produces a 70-30 services-to-goods mix. Service include the work of airlines, hotels, car rental firms, barbers and beauticians, maintenance and repair people, and accountants, bankers, lawyers, engineers, doctors, software programmers, and management consultants. Many market offerings mix goods and services, such as a fast-food meal.

EVENTS Marketers promote time-based events, such as major trade shows, artistic performances, and company anniversaries. Global sporting events such as the Olympics and the World Cup are promoted aggresively to both companies and fans.

EXPERIENCES By orchestrating several services and goods, a firm can create, stage, and market experiences. Walt Disney World's Magic Kingdom allows customers to visit a fairy kingdom, a pirate ship, or a haunted house. There is also a market for customized experiences, such as a week at a baseball camp with retired baseball greats, a four-day rock and roll fantasy camp, or a climb up Mount Everest.

PERSONS Artists, musicians, CEOs, physicians, high-profile lawyers and financiers, and other professionals all felt help from celebrity marketers. Some people have done a masterful job of marketing themselves – David Beckham, Oprah Winfrey, and Rolling Stones. Management consultant Tom Peters, a master at self-branding, has advised each person to become a "brand."

PLACES Cities, states, regions, and whole nations compete to attract tourits, residents, factories, and company headquarters. Place marketers include economic development speciallists, real estate agents, commercial banks, local business associations, and advertising and public relations agencies. The Las Vegas Convention & Visitors Authority succeeded with its provocative ad campaign, "What Happens Here," portraying Las Vegas as "an adult playground." In the recession of 2008, however, convention attendance declined. Concerned about its potentially out-of-step racy reputation, the Authority took out a full-page Business Week ad to defend its ability to host serious business meetings. Unfortunately, the 2009 summer box office blockbuster The Hangover, set in debauched Las Vegas likely did not help the city position itself as a choice business and tourist destination.

PROPERTIES Properties are intangible rights of ownership to either real property (real estate) or financial property (stocks and bonds). They are bought and sold, and these exchanges require marketing. Real estate agents work for property owners or sellers, or they buy and sell residential or commercial real estate. Investment companies and banks market securities to both institutional and individual investors.

ORGANIZATIONS Organizations work to build a strong, favorable, and unique image in the minds of their target publics. In the United Kingdom, Tesco's "Every Little Helps" marketing program reflects the food marketer's attention to detail in everything it does, within the store and in the community and environment. The campaign has vaulted Tesco to the top of the UK supermarket chain industry. Universities, museums, performing arts organizations, corporations, and nonprofits all use marketing to boost their public images and compete for audiences and funds.

INFORMATION The production, packaging, and distribution of information are major industries. Information is essentially what books, school, and universities produce, market, and distribute at a price to parents, student, and communities. The former CEO of Siemens Medical Solutions USA, Tom McCausland, says, "our product is not necessarily an X-ray or an MRI, but information. Our business is really health care information technology, and our end product is really an electronic patient record: information on lab tests, pathology, and drugs as well as voice dictation."

IDEAS Every market offering includes a basic idea. Charles Revson of Revlon once observed: In the factory we make cosmetics; in the drugstore we sell hope. "Products and services are platforms for delivering some idea or benefit. Social marketers are busy promoting such as "Friends Don't Let Friends Drive Drunk" and "A Mind Is a Terrible Thing to Waste" (Philip Kotler and Kevin Lane Keller, 2012).

Who Markets?

MARKETERS AND PROSPECTS

A marketer is someone who seeks a response – attention, a purchase, a vote, a donation – from another party, called the prospect. If two parties are seeking to sell something to each other, we call them both marketers. Marketers are skilled at stimulating demand for their products, but that's a limited view of what they do. Just as production and logistics professionals are responsible for supply management, marketers are responsible for demand management. They seek to influence the level, timing, and composition of demand to meet the organization of demand to meet the organization's objectives. Eight demand states are possible:

1. *Negative demand* – Consumers dislike the product and may even pay to avoid it.
2. *Nonexistent demand* – Consumers may be unaware of or uninterested in the product.
3. *Latent demand* – Consumers may share a strong need that cannot be satisfied by an existing product.
4. *Declining demand* – Consumers begin to buy the product less frequently or not at all.
5. *Irregular demand* – Consumer purchases vary on a seasonal, monthly, weekly, daily, or even hourly basis.
6. *Full demand* – Consumer are adequately buying all products put into the marketplace.
7. *Overfull demand* – More consumers would like to buy the product than can be satisfied.
8. *Unwholesome demand* – Consumers may be attracted to products that have undesirable social consequences.

In each case, marketers must identify the underlying causes of the demand state and determine a plan of action to shift demand to a more desired state (Philip Kotler and Kevin Lane Keller, 2012).

MARKET Traditionally, a "market" was a physical place where buyers and sellers gathered to buy and sell goods. Economists describe a market as a collection of buyers and sellers who transact over a particular product or product class (such as the housing market or the grain market).

Five basic markets and their connecting flows are: 1. Government markets 2. Manufacturer markets 3. Resource markets 4. Intermediary markets 5. Consumer markets. Manufacturers go to resource markets (raw material markets, labor markets, money markets, buy resources and turn them into goods and services, and sell finished products to intermediaries, who sell them to consumers. Consumers sell their labor and receive money with which they pay for goods and services. The government collects tax revenues to buy goods from resource, manufacturer, and intermediary markets and uses these goods and services to provide public services. Each nation's economy, and the global economy, consists of interacting sets of markets linked through exchange processes.

Marketers use the term market to cover various groupings of customers. They view sellers as constituting the industry and buyers as constituting the market. They talk about need markets (the diet-seeking market), product markets (the shoe market), demographic markets (the youth market), and geographic markets (the Chinese market); or they extend the concept to cover voter markets, labor markets, and donor markets, for insurance.

The relationship between the industry and the market shows in the passages. Sellers and buyers are connected by four flows. Sellers send goods and services and communications such as ads and direct mail to the market; in return they receive money and information such as customer attitudes and sales data. The inner loop shows an exchange of money for goods and services; the outer loop shown an exchange of information (Philip Kotler and Kevin Lane Keller, 2012).

KEY CUSTOMER MARKETS

Consider the following key customer markets: consumers, business, global, and nonprofit.

Consumer Markets Companies selling mass consumer goods and services such as juices, cosmetics, athletic shoes, and air travel spend a great deal of time establishing a strong brand image by developing a superior product and packaging, ensuring its availability, and backing it with engaging communications and reliable service.

Business Markets Companies selling business goods and services often face well-informed professional buyers skilled at evaluating competitive offerings. Business buyers buy goods to make or resell a product to other at a profit. Business marketers must demonstrate how their products will help achieve higher revenue or lower costs. Advertising can play a role, but the sales force, the price, and the company's reputation may play a greater one.

Global Markets Companies in the global marketplace must decide which countries to enter; how to enter each (as an exporter, licenser, joint venture partner, contract manufacturer, or solo manufacturer); how to adapt product and service features to each country; how to price products in different countries; and how to design communication for different cultures. They face different requirements for buying and disposing of property; cultural, language, legal and political differences; and currency fluctuations. Yet, the payoff can be huge.

Nonprofit and Governmental Markets Companies selling to nonprofit organizations with limited purchasing power such as churches, universities, charitable organizations, and government agencies need to price carefully. Lower selling prices affect the features and quality the seller can build into the offering. Much government purchasing calls for bids, and buyers often focus on practical solutions and favor the lowest bid in the absence of extenuating factors.

MARKETPLACES, MARKETSPACES, AND METAMARKETS The marketplace is physical, such as a store you shop in; the *marketplace* is digital, as when you shop on the Internet. Northwestern University's Mohan Sawhney has proposed the concept of *metamarket* to describe a cluster of complementary products and services closely related in the minds of consumers, but spread across a diverse set of industries.

Metamarkets are the result of marketers packaging a system that simplifier carrying out these related product/service activities. The automobile metamarket consists of automobile manufacturers, new and used car dealers, financing companies, insurance companies, mechanics, spare parts dealers, service shops, auto magazines, classified auto ads in newspapers and auto sites on the Internet.

A car buyer will engage many parts of this metamarket, creating an opportunity for metamediaries to assist him or her in moving seamlessly through them. Edmund's (www.edmunds.com) lets a car buyer find the stated features and prices of different automobiles and easily click to other sites to search for the lowest-price dealer for financing, accessories, and used car. Metamediaries also serve other metamarkets, such as home ownership, parenting and baby care, and weddings (Philip Kotler and Kevin Lane Keller, 2012).

CORE MARKETING CONCEPTS

To understand the marketing function, we need to understand the following core set of concepts.

Needs, Wants, and Demands

Need are the basic human requirements such as for aid, food, water, clothing, and shelter. Humans also have strong needs for recreation, education, and entertainment. These needs become wants when they are directed to specific objects that might satisfy the need. A U.S. consumer needs food but may want a Philly cheese steak and an iced tea. A person in Afghanistan needs food but may want rice, lamb, and carrots. Wants are shaped by our society.

Demands are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few are able to buy one. Companies must measure not only how many people want their product, but also how many are willing and able to buy it.

These distinctions shed light on the frequent criticism that “marketers create needs” or “marketers get people to buy things they don’t want.” Marketers do not create needs: Needs preexist marketers. Marketers, along with other societal factors, influence wants. They might promote the idea that a Mercedes would satisfy a person’s need for social influence wants. They do not, however, create the need for social status.

Some customers have needs of which they are not fully conscious or that they cannot articulate. What does it means when the customer asks for a “powerful” lawn mower or a “peaceful” hotel? The marketer must probe further. We can distinguish five types of needs:

1. Stated needs (The customer wants an inexpensive car.)
2. Real needs (The customer wants a car whose operating cost, not initial price, is low.)
3. Unstated needs (The customer expects good service from the dealer.)
4. Delight needs (The customer would like the dealer to include an onboard GPS navigation system.)
5. Secret needs (The customer wants friends to see him or her as a savvy consumer.)

Responding only to the stated need may shortchange the customer. Consumers did not know much about cellular phones when they were first introduced, and Nokia and Ericsson fought to shape consumer perceptions of them. To gain an edge, companies must help customer learn what they want.

Target Markets, Positioning, and Segmentation

Not everyone likes the same cereal, restaurant, college, or movie. Therefore, marketers start by dividing the market into segments. They identify and profile distinct groups of buyers who might prefer or require varying product and service mixes by examining demographic, psychographic, and behavioral differences among buyers.

After identifying market segments, the marketer decides which present the greatest opportunities – which are its target markets. For each, the firm develops a market offering that it positions in the minds of the target buyers as delivering some central benefit(s). Volvo develops its cars for buyers to whom safety is a major concern, positioning its vehicles as the safest a customer can buy.

Offerings and Brand

Companies address customer needs by putting forth a **value proposition**, a set of benefits that satisfy those needs. The intangible value proposition is made physical by an offering, which can be a combination of products, services, information, and experiences.

A brand is an offering from a known source. A brand name such as McDonald's carries many associations in people's minds that make up its image: hamburgers, cleanliness, convenience, courteous service, and golden arches. All companies strive to build a brand image with as many strong, favorable, and unique brand associations as possible.

Value and Satisfaction

The buyers choose the offerings he or she perceives to deliver the most value, the sum of the tangible and intangible benefits and costs to her. Value, a central marketing concept, is primarily a combination of quality, service, and price (qsp), called the customer value triad. Value perceptions increase with quality and service but decrease with price.

We can think of marketing as the identification, creation, communication, delivery, and monitoring of customer value. Satisfaction reflects a person's judgment of a product's perceived performance in relationship to expectations. If the performance falls short of expectations, the customer is disappointed. If it matches expectations, the customer is satisfied. If it exceeds them, the customer is delighted.

Marketing Channels

To reach a target market, the marketer uses three kinds of marketing channels. Communication channels deliver and receive messages from target buyers and include newspaper, magazines, radio, television, mail, telephone, billboards, poster, fliers, CDs, audiotapes, and the Internet. Beyond these, firms, communicate through the look of their retail stores and Web sites and other media. Marketers are increasingly adding dialogue channels such as e-mail, blogs, and toll-free numbers to familiar monologue channels such as ads.

The marketer uses distribution channels to display, sell, or deliver the physical product or service(s) to the buyer or user. These channels may be direct via the Internet, mail, or mobile phone or telephone, or indirect with distributors, wholesalers, retailers, and agents as intermediaries.

To carry out transaction with potential buyer, the marketer also uses service channels that include warehouses, transportation companies, banks, and insurance companies. Marketers clearly face a design challenge in choosing the best mix of communication, distribution, and service channels for their offerings.

Supply Chain

The supply chain is a longer channel stretching from raw material to components to finished products carried to final buyers. The supply chain for coffee may start with Ethiopian farmers who plant, tend, and pick the coffee beans, selling their harvest to wholesalers or perhaps a Fair Trade cooperative. If sold through the cooperative, the coffee is washed, dried, and packaged for shipment by an Alternative Trading Organization (ATO) that pays a minimum of $1.26 a pound. The ATO transports the coffee to the developing world where it can sell it directly or via retail channels. Each company captures only a certain percentage of the total value generated by the supply.

Competition

Competition includes all the actual and potential rival offerings and substitutes a buyer might consider. An automobile manufacturer can buy steel from U.S. Steel in the United States, from a foreign firm in Japan or Korea, or from a minimill such as Nucor at a cost savings, or it can buy aluminium for certain parts from Alcoa to reduce the car's weight, or engineered plastics from Saudi Basic Industries Corporation (SABIC) instead of steel. Clearly, U.S.Steel would be thinking too narrowly about its competition if it thought only of other integrated steel companies. In the long run, U.S. Steel is more likely to be hurt by substitute products than by other steel companies.

Marketing Environment

The marketing environment consists of the task environment and the broad environment. The task environment includes the actors engaged in producing, distributing, and promoting the offering. There are the company, suppliers, distributors, dealers, and target customers. In the supplier group are material suppliers and service suppliers, such as marketing research agencies, advertising agencies, banking and insurance companies, transportation companies, and telecommunications companies. Distribution and dealers include agents, brokers, manufacturer representatives, and others who facilitate finding and selling to customers.

The broad environment consists of six components: demographic environment, economic environment, social-cultural environment, natural environment, technological environment, and political legal environment. Marketers must pay close attention to the trends and developments in these and adjust their marketing strategies as needed. New opportunities are constantly emerging that await the right marketing savvy and ingenuity (Philip Kotler and Kevin Lane Keller, 2012).

THE NEW MARKETING REALITIES

We can say with some confidence that the marketplace isn't what it used to be. It is dramatically different from what it was even 10 years ago.

Major Societal Forces

Today major, and sometimes interlinking, societal forces have created new marketing behaviors, opportunities, and challenges. Here are 12 key ones.

1. Network Information Technology
2. Globalization
3. Deregulation
4. Privatization
5. Heightened competition
6. Industry convergence
7. Retail transformation
8. Disintermediation
9. Consumer buying power
10. Consumer information
11. Consumer participation
12. Consumer resistance

New Company Capabilities

These major societal forces create challenges for marketers, but they have also generated a new set of capabilities to help companies cope and respond.

1. Marketers can use the internet as a powerful information and sales channel
2. Marketers can collect fuller and richer information about markets, customers, prospects, and competitors
3. Marketers can tap into social media to amplify their brand message
4. Marketers can facilitate and speed external communication among customers
5. Marketer can send ads, coupons, samples, and information to customers who have requested them or given the company permission to send them
6. Marketers can reach consumers on the move with mobile marketing
7. Companies can make and sell individually differentiated goods
8. Companies can improve purchasing, recruiting, training, and internal and external communications
9. Companies can facilitate and speed up internal communication among their employees by using the Internet as a private intranet
10. Companies can improve their cost efficiency by skillful use of the Internet

Marketing in Practice

Not surprisingly, these new marketing forces and capabilities have profoundly changed marketing management. In theory, the marketing planning process consists of analyzing marketing opportunities, selecting target markets, designing marketing strategies, developing marketing programs, and managing the marketing effort.

In practice, however, in the highly competitive marketplaces that are more often the norm, marketing planning is more fluid is continually refreshed.

Companies must always be moving forward with marketing programs, innovating products and services, staying in touch with customer needs, and seeking new advantages rather than relying on past strengths. This is especially true of incorporating the Internet into marketing plans. Marketers must try to balance increased spending on search advertising, social media, direct e-mail, and text / SMS marketing efforts with appropriate spending on traditional marketing communications. But they must do so in tough economic times, when accountability has become a top priority and returns on investment are expected from every marketing activity. "Marketing Insight: Marketing in an Age of Turbulence" offers some recommendations for adjusting to new marketing realities (Philip Kotler and Kevin Lane Keller, 2012).

Marketing Insight: Marketing in an Age of Turbulence

The severe economic recession of 2008 – 2009 caused marketers to rethink best practices of management. Philip Kotler and John Caslione see management entering a new Age of Turbulence in which chaos, risk, and uncertainty characterize many industries, markets, and companies. According to them, turbulence is the new normal, punctuated by periodic and intermittent spurt of prosperity and downturn – including extended downturns amounting to recession, or even depression. They see many new challenges in foreseeable future, and unlike past recessions, there may be no assurance that a return to past management practices would ever be successful again.

According to Kotler and Caslione, marketers should always be ready to activate automatic responses when turbulence whips up and chaos reigns in. They recommend marketers keep these eight factors in mind as they create "chaotic marketing strategies." (Philip Kotler and John A. Caslione, 2009)

1. Secure your market share from core customer segments
2. Push aggressively for greater market share from competitors
3. Research customers more now, because their needs and wants are in flux
4. Minimally maintain, but seek to increase, your marketing budget

5. Focus on all that's safe and emphasize core values
6. Drop programs that aren't working for you quickly
7. Don't discount your best brand
8. Slave the strong: lose the weak

The New Chief Marketing Officer

The rapidly changing marketing environment is putting even greater demands on marketing executives. A well-publicized survey revealed that the average Chief Marketing Officer tenure at U.S. companies is about 28 months, well below the average tenure of CEOs (54 months) or other C-level positions. One explanation is that the role of marketing – and thus management expectation – varies widely among firms. Harvard's Gail McGovern and John Quelch find tremendous variability in Chief Marketing Officer responsibilities and job descriptions.

Another challenge CMOs face is that the success factors for top marketers are many and varied. CMOs must have strong quantitative skills but also well-honed qualitative skills; they must have an independent, entrepreneurial attitude but also work in close harmony with other department such as sales; and they must capture the "voice" and point of view of consumers yet have a keen bottom-line understanding of how marketing creates value within their organization. One survey asked 200 senior-level marketing executives which innate and learned qualities were most important; here are their answers:

Innate Qualities

- Risk taker
- Willingness to make decisions
- Problem-solving ability
- Change agent
- Result-oriented

Learned Qualities

- Global experience
- Multichannel expertise
- Cross-industry experience
- Digital focus
- Operational knowledge

Perhaps the most important role for any CMO is to infuse a customer perspective and orientation in business decisions affecting any customer touch point (where a customer directly or indirectly interacts with the company in some form). The CMO of lodging franchisor Choice Hotels International, Chris Malone, is responsible for directing virtually all customer-facing efforts for the firm, including:

- Advertising, loyalty programs, and direct response;
- Guiding the company's central reservations systems, including its call

centers, Web site, and relationship with outside travel vendors such as Travelocity and Orbitz; and

- Heading up the company's global group sales efforts with organizations such as AAA, AARP, and professional sports teams (www.choicehotels.com).

Marketing in The Organization

Although an effective CMO is crucial, increasingly marketing is not only by the marketing department. Because marketing must affect every aspect of the customer experience, marketers must properly manage all possible touch points – store layouts. Package designs, product functions, employee training, and shopping and logistics methods. Marketing must also be influential in key general management activities, such as product innovation and new-business development. To create a strong marketing organization, marketers must think like executive in other departments, and executives in other departments must think more like marketers.

As the late David Packard of Hewlett-Packard observed, "Marketing is far too important to leave to the marketing department." Companies now know that every employee has an impact on the customer and must see the customer as the source of the company's prosperity. So they're beginning to emphasize interdepartmental teamwork to manage key processes. They're emphasizing the smooth management of core business processes, such as new product realization, customer acquisition and retention, and order fulfillment (Philip Kotler and Kevin Lane Keller, 2012).

MARKETING MEMO: MARKETING RIGHT AND WRONG

The Ten Deadly Sins of Marketing

1. The company is not sufficiently market focused and customer driven.
2. The company does not fully understand its target customers.
3. The company needs to better define and monitor its competitors.
4. The company has not properly managed its relationships with its stakeholders.
5. The company is not good at finding new opportunities.
6. The company's marketing plans and planning process are deficient.
7. The company's product and service policies need frightening.
8. The company's brand-building and communications skills are weak.
9. The company is not well organized to carry on effective and efficient marketing.

10. The company has not made maximum use of technology.

The Ten Commandments of Marketing

1. The company segments the market, chooses the best segments, and develops a strong position in each chosen segment.
2. The company maps its customers' needs, perceptions, preferences, and behavior and motivates its stakeholders to obsess about serving and satisfying the customers.
3. The company knows its major competitors and their strengths and weaknesses.
4. The company builds partners out of its stakeholders and generously rewards them
5. The company develops systems for identifying opportunities, ranking them, and choosing the best ones.
6. The company manages a marketing planning system that leads to insightful long-term and short-term plans.
7. The company exercises strong control over its product and service mix.
8. The company builds strong brands by using the most cost-effective communication and promotion tools.
9. The company builds marketing leadership and a team spirit among its various departments.
10. The company constantly adds technology that gives it a competitive advantage in the marketplace. (Philip Kotler, 2004).

ASSESSING WHICH COMPANY DEPARTMENTS ARE CUSTOMER-MINDED

Research & Development

- They spend time meeting customers and listening to their problems.
- They welcome the involvement of marketing, manufacturing, and other departments to each new project.
- They benchmark competitors' products and seek "best of class" solutions.
- They solicit customer reactions and suggestions as the project progresses.
- They continuously improve and refine the product on the basis of market feedback.

Purchasing

- They proactively search for the best suppliers.
- They build long-term relationships with fewer but more reliable, high-quality suppliers.
- They don't compromise quality for price savings.

Manufacturing

- They invite customers to visit and tour their plants.
- They visit customer plants.
- They willingly work overtime to meet promised delivery schedules.
- They continuously search for ways to produce goods faster and/or at lower cost.
- They continuously improve product quality, aiming for zero defects.
- They meet customer requirements for "customization" where possible.

Marketing

- They study customer needs and wants in well-defined market segments.
- They allocate marketing effort in relation to the long-run profit potential of the targeted segments.
- They develop winning offers for each target segment.
- They measure company image and customer satisfaction on a continuous basis.
- They continuously gather and evaluate ideas for new products, product improvements, and services.
- They urge all company departments and employees to be customer centered.

Sales

- They have specialized knowledge of the customer's industry.
- They strive to give the customer "the best solution."
- They make only promises that they can keep.
- They feed back customers' needs and ideas to those in charge of product development.
- They serve the same customers for a long period of time.

Logistics

- They set a high standard for service delivery time and meet this standard consistently.
- They operate a knowledgeable and friendly customer service department that can answer questions, handle complaints, and resolve problems in a satisfactory and timely manner.

Accounting

- They prepare periodic "profitability" reports by product, market segment, geographic areas (region, sales territories), order sizes, channels, and individual customers.
- They prepare invoices tailored to customer needs and answer customer queries courteously and quickly.

Finance

- They understand and support marketing expenditure (e.g., image advertising that produce long- term customer preference and loyalty.

- They tailor the financial packages to the customer's financial requirements.
- They make quick decisions on customer creditworthiness.

Public Relations

CORPORATE SOCIAL INITIATIVES

Type	Description
Corporate social marketing	Supporting behavior change campaign
Cause marketing	Promoting social issues through efforts such as sponsorship, licensing agreements, and advertising
Cause-related marketing	Donating a percentage of revenues to a specific cause based on the revenue occurring during the announced period of support
Corporate philanthropy	Making gifts of money, goods, or time to help nonprofit organizations, groups, or individuals
Corporate community	Providing in-kind or volunteer services in the community
Social responsible business practices	Adapting and conducting business practices that protect the environment and human and animal rights

Source : Philip Kotler and Nancy Lee, 2004.

- They send out favorable news about the company and "damage control" unfavorable news.
- They act as an internal customer and public advocate for better company policies and practices (Philip Kotler, 1999).

CONCLUSION

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. Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value. Marketing are skilled at managing demand: they seek to influence its level, timing, and composition for goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. They also operate in four different marketplaces, consumer, business, global, and nonprofit. Marketing is not done only by the marketing department. It needs to affect every aspect of the customer experience. To create a strong marketing organization, marketers must think like executives in other departments, and executives in other departments must think more like marketers. Today's marketplace is fundamentally different as a result of major societal forces that have resulted in many new consumer and company capabilities. These forces have created new opportunities and challenges and changed marketing management significantly as companies seek new ways to achieve marketing excellence.

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