

Editorial—

MARKETING: A HISTORY OF THE NEXT DECADE

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Editorial

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The theme of the 2003 Academy of Marketing Conference, hosted by the Marketing Group at Aston Business School, Aston University, UK, was “Marketing; A history of the next decade”. The conference sought to facilitate an examination of our discipline, a state of the nation, providing possible signposts and directions as to the dominant thinking in marketing over the next decade. Marketing as a discipline has undergone many changes and developments to the current state-of-the-art. Indeed many *histories of marketing* are cited in the literature, one in particular suggesting that the first incarnation of the practice of marketing proper was in 1631 a French newspaper which carried the first classified advertisements¹.

The initial disciplinary developments in marketing were mainly descriptive and it was not until the 1940s that theoretical attention by researchers was given; especially the questioning of marketing scientific integrity by Alderson and Cox (1948) and Bartels (1951). Marketing was slow to capitalise on initial developments and, in 1964, Halbert (1964) provided a damning criticism of the discipline on the basis that it had no defensible theory. This was promulgated upon the belief that marketing *theory* exhibited little if any logical consistency, experimental rigour or adequate philosophical grounding. The theoretical foundation of marketing was so scant that Bartels (1974) concluded that there was an “identity crisis” (p.73) in marketing.

Since this time, the contributions to the field of marketing have proliferated to such an extent that new theoretical observations emerge where marketing academicians are content to claim theoretical territory, in the spirit of inter-disciplinary research, that has foundations in economics, psychology, sociology, finance, organisational behaviour, strategic management, to name a few of the cognate social sciences—such is the fact that marketing has become a synthetic discipline. Academicians have approached marketing from several standpoints; for example, the scientific content of marketing, its managerial perspective or its meta-theoretical foundations. These themes are no more poignant for academicians than those interested in researching aspects of Marketing Strategy.

The Chartered Institute of Marketing (CIM), the professional marketers’ membership body based in the UK, asserts a concise view relating to the practice and research challenges facing marketers in the future. Peter Fisk, CIM’s Chief Executive and a plenary speaker at the

¹ www.marketing-web.org/timeline.html

2003 Academy of Marketing Conference stated that: “marketers must work through the detail of what they need do to work out how it impacts on the business”². The ways in which this can be achieved are cited by Fisk and centre around marketers developing a wider perspective of their role within the organisation, and hence a broader *commercial* understanding. Commercial understanding means being able to demonstrate to shareholders, the CEO and board that marketing is delivering results that impact on the bottom line.

The CIM appear to support the viewpoint that marketers must “earn their place at the top”³. In an article entitled “The only way is up”, Marks and Spencer and Boots were cited as examples of companies where senior board level marketers had exited the businesses only to have their roles replaced by “non-board” positions. The CIM, citing Paul Donovan, Vodaphone CEO, are clear that both marketers and marketing have to justify themselves, possibly more so given the current global economic conditions.

PA Consulting recently sampled 150 senior marketers about their perceptions of their fellow marketers, and also marketing in general. Two reports were produced from the data gathered, once again highlighting challenges for the future. The first report entitled “How effectively does marketing drive business success?”⁴, concluded that most marketing practitioners focus on the traditional domain of “identifying customer’s needs, achieving competitive differentiation and driving revenue and growth”. While these appear to be highly laudable aims, criticism was levelled at marketers for letting the “pursuit of the short-term over the longer-term, and a lack of commercial discipline, adequate controls, and influence across the business”. The report goes on to explain: “They [marketers] are good at creating value for customers, but poor at capturing the full value of this back to the business. They are good at starting projects, but less successful at managing them with focus and sustained effectiveness”.

The second report, entitled “Unlocking the real value of marketing”⁵, underlined much of what is summarised above, but went on to develop a number of suggestions for organisations wishing to do as the title suggests. The broad conclusions stated: “marketing is the primary driver of business success, but that marketers are not in the driving seat”. Further investigation of the data however pointed towards a lack of metric-driven marketing, and a general reluctance of marketers to escape the discipline and explore its impact on a wider strategic level. Marketers, it was found, are: “are comfortable on their own turf—doing what marketers have always done,

² *Marketing Business*, July/August, (2003), p.99

³ *Marketing Business*, May, (2003), p.25

⁴ PA Consulting, “How effectively does marketing drive business success?” (2002).

⁵ PA Consulting, “Unlocking the real value of marketing” (2002).

within their functional boundary—however they are much less keen to embrace the complexities of business performance, or lead the strategic business agenda”.

In essence, from the evidence presented, marketers appear to perform well in what would be termed their traditional domain; i.e. understand what customers want and give it to them. However, the findings suggest that as a functional part of a wider strategic agenda, a separation has occurred between the objectives of marketing as a functional role, and the organisation within a strategic context. Do marketers need to be more sympathetic to the commercial needs of the organisation, and now deliver possibly *some* of what the customer wants, in context? Or, do organisations need to understand more fully the value that marketing can deliver over the long-term; if so whose responsibility is it to ensure the message is delivered?

The striking similarities in the perspectives above appear to centre on the way in which marketing activities are measured within organisations. This, in turn, will have a significant impact on the degree to which marketers are included in the *strategic* decision making process of the business.

The development and implementation of new measurement techniques will allow marketers to demonstrate to shareholders exactly where, and how value is added through their activities. The effects of this demonstration could be widespread, not only emphasising the central nature of marketing to organisational profitability, but also providing an often much needed injection of commercial credibility which will in turn provide a platform for further investment.

The commercial credibility viewed as being vital, cannot be achieved on either a practitioner or academic level with a functional or discipline specific approach. A wider perspective is called for, both within the organisation and within the academic research community, if the new techniques are to be effective and have the credibility desired. The marketer in organisations must seek to develop closer linkages across functional groupings, and understand where impact can be made within the organisation. Academia can undoubtedly forge the solutions to these challenges through further development of interdisciplinary research, and also by incorporating perspectives that enhance, but also challenge existing thought.

By doing these, and taking up the challenges that clearly exist for the discipline, *the history of the next decade* will be something to reflect upon with anticipation.

This Special Issue, extracted from the Marketing Strategy track at the Conference, comprises a selection of articles taken from a number of different perspectives and contexts, reflecting the debate above. In the first paper, Ryals takes a customer relationship management perspective and incorporates the relationship marketing perspective of lifetime relationships with

customers being more profitable than short-term transaction-based relationships. Further research in this area has shown that some customers are significantly unprofitable, and indeed should be managed from the client base. On this basis, in order to maximise shareholder value, where do managers take a draw the line between relationship marketing and a more commercial perspective? The suggested approach outlined within this paper, calls for managers to regard their customer base as an investment portfolio. The portfolio management model of risk and return is utilised in order to measure competing profiles of risk and return, providing signals to managers as to which relationship management tactics to employ.

The subject of the second paper is not new. However, the approach taken provides an interesting perspective and applies the metaphor of jazz improvisation to strategic marketing planning; building on Piercy and Morgan's (1994) marketing planning model. The idea of improvisation around a structural core is loosely applied by Dennis and Macauley to marketing planning models, and advocates "creativity, innovation and improvisation" in this context. It is argued that many of the planning models currently in use are too rigid and can not benefit from the three elements above. Two typologies of planners are cited: 'jazzers' and 'readers'. Here it is suggested here that jazzers will exhibit higher levels of creativity, flexibility and innovation, which will in turn produce improved organisational performance.

In the third paper, an exploratory study is utilised in order to develop a further understanding of the factors inhibiting new products adoption in a manufacturing context. The implications of the research for managers are that concentration should be levelled at involvement aspects as opposed to focussing on perceived risk reducing activities. A new marketing model is proposed by Deacon and Cole in order to guide primarily SMEs in the food ingredients industry. The model suggests a process that is designed to encourage customers to deepen their relationships with the supplier organisation throughout ingredient/product development. Word-of-mouth communication and its strategic implications are also considered.

In the fourth paper, the recent literature exploring the relationship between market orientation and business performance is further examined. Qu and Ennew argue that environmental factors could moderate the relationship between the constructs. Two Chinese industrial sectors are examined that are subject to distinctively different environmental impacts. The results suggest that market orientation has a positive impact on business performance despite the environmental factors highlighted. The study goes on to examine the moderating impact of environment in the market orientation—customer satisfaction relationship. The study finds that environment does indeed moderate this relationship. Further findings are reported regarding the degree of power in a distribution channel and also corporate social responsibility.

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