



The Chartered
Institute of Marketing

Shape the agenda

Tomorrow's word

Re-evaluating the role
of marketing

Everything changes



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Those of us working in marketing back in that long hot summer of 1976 will be able to recall a very different world from today.

On the international stage there were riots in a racially-divided South Africa; Chairman Mao, the founder of Communist China, passed away peacefully; and Britain went to war with Iceland over cod.

Concorde completed its first commercial flight, Bjorn Borg won the first of five consecutive Wimbledon titles, and a new music genre called 'punk' began to shake up the music scene.

IBM brought out the first laser printer, and Apple Computers was founded, launching its Apple II microcomputer, one of the first and most successful personal computers or 'PCs' the following year.

Some of you reading this may not even have been born in 1976; finding a world of three TV channels, fixed phone lines, and no PCs, internet or email a completely alien and unnatural landscape.

Yet it was in 1976 that The Chartered Institute of Marketing last defined what marketing is: 'Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.'

Whilst this definition has served us faithfully for over 30 years, we believe that the world marketers now inhabit has fundamentally changed, and both the role marketing plays and its definition need to be examined afresh.

With massive technological changes, globalisation, and the spread of marketing techniques into new areas, such as the public sector, marketing has undergone enormous changes over the last 30 years. If it is to remain relevant in the 21st century, the profession needs to reassess its role in business and society, and redefine what we mean by 'marketing'.

Our latest Agenda Paper, *Tomorrow's Word*, aims to open up debate on the subject, so let us know your thoughts on the role of marketing going forward and our suggested new definition of marketing.



Tomorrow's Word

Re-evaluating the role of marketing

Executive summary

What's the role of marketing? It seems an obvious question, but choosing one answer is elusive and likely to be incomplete. As the profession has become more diverse, the balance of power has shifted in favour of the customer, who now has more control of the relationship than ever before thanks to technology. As the role of the customer has altered, so too the role of marketing needs to change in response.

Marketing has become more sophisticated – and yet its status with the customer and the rest of business has never been lower. Complicating this is an increasing divide between the thoughts of academics and the experiences of practitioners. To address this, The Chartered Institute of Marketing wants to open up the debate about what the role of marketing should be, and how it can move forward as a profession.

One proposal is to sub-divide marketing into specialisms. This would enable marketers to become experts in their field, rather than being expected to be all-rounders and then criticised for not understanding a particular part of the business.

We also want to reconsider The Chartered Institute of Marketing's definition of marketing. The current definition – 'the management process responsible for identifying, anticipating and satisfying customer requirements profitably' – is 30 years old and we propose that it is no longer fit for purpose. *Tomorrow's Word* offers a new definition that places value from customer-centricity at the heart of marketing, whilst acknowledging the increasing relevance of marketing for not-for-profit and public sector organisations.

ONE: A view of the world

Recent research commissioned by The Chartered Institute of Marketing shows that over 85% of UK marketers agree that marketing has 'unquestionably changed in the last 30 years.' The diversity of sector – profit or not for profit, private or public – is matched only by the diversity of role. Product/service seller or social and environmental influencer? Researcher or communicator? Statistician, technologist or legal specialist? Innovator or brand expert?

For some academics and practitioners, marketing has become a predominantly service-based role. Others see the rise in globalisation and technology as providing a proliferation of new tools to equip marketers in their battle to gain attention. Is marketing a core strategy that everyone in the company should be engaged in, rather than merely the marketing department – or has it largely become a promotional discipline, with much of its territory stolen from under its nose by Finance and HR?

Owing to technology, the customer has far greater

control over relationships, more choice over channels, and can demand better service. When left unhappy, customers can instantly communicate their dissatisfaction to large groups of people via blogs and social networking sites. Boycotts of companies can be organised more effectively, and the issues can be communicated to potentially unlimited numbers of people.

Compounding these changes, there is still a misconception in the wider business world about what marketing is and what it does. Paul Fifield of The Fifield Organisation points out how marketing 'has become synonymous with advertising and promotion; Philip Kotler noted many years back that marketing seems more and more to focus on just one P.'

[Source: Correspondence with The Chartered Institute of Marketing's Research and Information Department – CWRI].

Consider the view of Jonathon Porritt – widely read, widely trusted and one of the most influential media commentators on business and governmental activity. For

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Porritt, 'the cumulative impact of billions of corporate dollars, spent marketing their products, year after year after year, stimulating, reinforcing and exacerbating people's consumerist fantasies, is almost wholly pernicious.' [Source: CWRI]. Often at this point, marketers will respond with an argument about marketing being a neutral profession that can be used for good or bad purposes. Porritt 'has difficulties with this', because regardless of how neutral the theory may be, 'today's marketing spend (which is obviously different from marketing as a profession) constitutes a major impediment to achieving a more sustainable society'. [Source: CWRI.]



Needless to say, we don't entirely agree with Porritt's provocative stance. Yet his views are representative of a shift in society against commoditisation, commercialisation and consumption. This new stance is slowly building up in the collective consciousness of many people. As it is marketers who are seen as propagating that increase in consumption, we need to act to show that marketing is not just about generating more commodities, offering more choice

than is needed, and persuading people to consume more. Whether we like it or not, this misconception of what marketing is and does is becoming commonplace. Ask someone at random what marketing is and you're likely to hear either a sales-based or communications description, or a satirical diatribe about it being the art of persuading people to part with their cash for products they don't really want or need, and then come back for more of the same. Many of the customers that we claim to



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understand and build relationships with, think that marketing is largely a communications-led discipline, and operating only at the promotional end of the business spectrum.

Why is this? Why, when there is increasing evidence that marketing is a value-creating part of the

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business, and can contribute to the strategic direction of a company, is there such a gap between the reality and the perception of marketing? And how should we define marketing's role?

We want to suggest some options that are provocative, but we believe are vital if the profession is to achieve increased respect from the public and greater status within business.

Marketer Laurie Young alerts us to the fact that some of the most widely used marketing techniques are outdated and may be sending marketers in wrong directions. 'Many of the basic concepts taught by marketing academics, such as the Ansoff matrix and AIDA, are dubious and can cause mistakes if not properly understood'. This is partly due to the fact that marketing was codified during the "management science" excesses of the 1960s and 1970s, and partly because 'many notable marketing academics were economists by background, whereas marketing is more a behavioural activity.' [Source: CWRI.]

AIDA, for instance, was developed in 1924 in a book titled *Psychology of Selling Life Insurance*, before

television or mass radio were invented. According to Young, it has never been properly tested or substantiated in a marketing context. Yet we assume fairly unquestioningly that AIDA is a useful marketing tool.

Similarly, the Ansoff matrix was based on the acquisition strategies of manufacturing companies in Chicago in the 1930s. It was designed to go to infinity in both directions, and it has been vastly simplified into the 2x2 matrix we see today. 'Perhaps its relevance and usefulness to 21st century service, media and virtual companies should be more fundamentally questioned?' asks Young.

Stephen Brown, Professor of Marketing Research at the University of Ulster, also alludes to a gap between outmoded forms of theory, and the reality of 21st century marketing. For Brown there is an 'ever-growing schism between marketing practice and marketing academia. Academics increasingly talk to themselves,' Brown alleges, 'and practitioners look to self-styled gurus with platitudes for sale. This deepening divide can't be good for our field.' [Source: CWRI].



TWO: A new role

To restore faith between practitioners and academics and focus the rest of business on what marketing is (and what it isn't), The Chartered Institute of Marketing's Research and Information team suggests that we need a new "role profile" for marketing.

Any discipline splits into specialisms as it becomes more sophisticated and more knowledge accrues. A scientist in the Renaissance would not draw distinction between chemistry, biology or physics; he or she would also draw, paint and dissect. Today, those three disciplines have further sub-divided into hundreds of specialisms from astrophysics to zoology.

Consider the law profession. As it becomes subdivided into family, criminal, probate and company law, the profession itself and the sub-disciplines are enhanced by having clearly delineated role profiles. No one wants their lawyer to be jack of all trades, and no lawyer could succeed by trying to be so. Marketing as a function may now be at the point where it could benefit from similar sub-divisions.

Increasingly, it's difficult for a marketer to attempt to be expert in all the areas we currently define as "marketing". One of the problems with the status of marketing is that a creative marketer is criticised for not being sufficiently metrics-oriented; whereas a good number-cruncher is also expected to be a disruptive thinker.

Marketing as a function may now be at the point where it could benefit from sub-divisions.

In the future, marketers could follow one of three broad paths:

- **Science.** R&D, segmentation, research, analysis, statistics, web strategy, metrics, technology, data and information.
- **Arts.** Branding, advertising, communications. By making this area discrete, we replace the disadvantage of this area being perceived as the whole of marketing, with the advantage of it being regarded as a specialism.

- **Humanities.** Social, ethical, cause-related, not-for-profit, triple bottom line. Includes business sustainability, public sector and social marketing.

These would be specialisms that the interested student would pursue as units on their broader marketing course, and would use as the foundation to develop their own detailed knowledge and understanding.

Social marketing, for example, could become a prominent career choice for many marketers over the next 30 years. There is a large group of people who would be drawn to this as a career path, were it not for the public and private misconceptions that “marketing” currently conveys. The UK government is at the forefront of recognising how marketing principles from the private sector could be of benefit to local authorities, NHS trusts and other public bodies. For the marketing profession, this represents a huge opportunity for future career choices. By clearly delineating the creative side of marketing, the scientific side, and what we propose to call the “humanities” side, which would include not-for-profit and social marketing, we can start to break down some of the misunderstandings about marketing.

The successful marketer often needs to be a “right brain” creative as well as a “left brain” scientist. This is a complex balancing act – and by addressing the need to separate the areas into specialisms, the complexity of the role might begin to be more recognised than it is today. In our marketing training, we need to emphasise this and enable marketers to specialise in areas where they want to build their career, then add options that address areas where they are not naturally strong.

One of the reasons marketing is less respected than other business functions is the claim that marketers don’t understand other parts of the business. By studying a specialism, instead of ever-more advanced levels of “marketing”, the social marketer, the communicator, the researcher or the thinker has time to learn and understand how the rest of business works. That makes you more board-friendly as well as being better at the job. It also means marketers would be better prepared for jobs that are currently seen as non-marketing roles.

In the future, you won’t study “marketing” as such. After a basic grounding in the concepts and



practices of marketing, you opt to study one of the three sub-disciplines. This way you would have the choice to get a broader education of arts, scientific or humanities marketing thinking.



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Creatives will focus on their part of the subject, then opt to study metrics or accountancy (for example) as a separate unit. Those who aspire to progress to board or CEO level will study a second and/or third sub-discipline as part of their post-graduate training, which will give them a firmer base for developing marketing strategy and value propositions.

While the mechanics of how this could work are flexible and open to considerable discussion, it would enable marketers to build their own careers more dynamically and tailor their development to their strengths. They could focus on an area that interests them to a greater degree than they can today, and if they are minded to progress to senior level, could choose which options they need to understand other areas of the business.

Splitting the role into specialisms like this could achieve three specific aims: reduce the perception that marketing is mainly a communications-based, promotional discipline; show that marketing is a complex balancing act of scientific and artistic capabilities; and more effectively enable marketers to become more proficient in their chosen fields of expertise, whilst also gaining good working knowledge of other parts of the organisation and the wider business world.

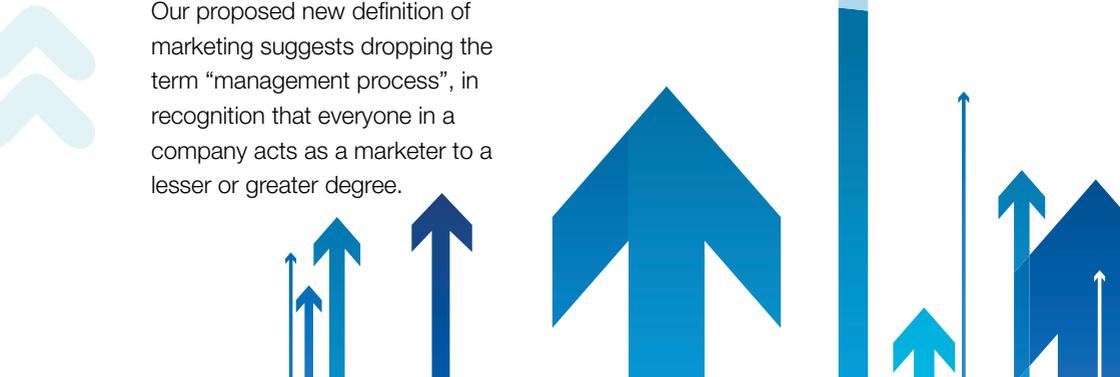
THREE: Rules of engagement

Tim Ambler of London Business School questions whether marketing should even be a separate “role” in the business at all. If marketing is supposed to be something that everyone in the company engages in, then the question is ‘whether marketing is a profession, should be or will be. If one takes the company-wide view of marketing, then all managers should be marketers, although one could argue that some will be more specialist than others.’ For Ambler, the fact that there are proportionally few senior management or board members with a marketing background has been partly brought about by marketers themselves, ‘by owing more loyalty to the marketing “profession” than to their employers. For example, they seek better marketer jobs elsewhere rather than better non-marketing specialist jobs internally.’ [Source: CWRI.]

Our proposed new definition of marketing suggests dropping the term “management process”, in recognition that everyone in a company acts as a marketer to a lesser or greater degree.

The proposal to sub-divide marketing also needs to be considered in light of the fact that many of the current roles in marketing overlap these different broad areas. In future papers we will consider how a new training model for marketing might encompass these variations.

One argument against the sub-division concept is that some of marketing’s status problems come about because of too much fragmentation – not too little. We want to hear practising marketers’ views on this, and on how the current training for marketers could be reconsidered.



FOUR: Revaluing marketing

However we redefine the role of marketing, from our canvassing of a wide variety of academics and practitioners views from across the world in recent months, several areas have emerged that need to be focused on:

'We engage customers through engaged employees and need to be prepared to challenge trends that are clearing disengaging customers and employees.'
Juanita Cockton

- **Power of the customer**

'The days of marketing controlling brands are disappearing as we recognise that communities are not only becoming a more active communication channel but they are also actively shaping the nature of brands,' according to Leslie de Chernatony, Professor of Brand Marketing at Birmingham Business School.

- **Technology**

The proliferation of technological advances in the last 30 years means that the importance of geography has lessened, and a far wider range of tools are now available. The internet and globalisation have changed the rules of engagement almost entirely in that time. However, as Tim Ambler points out, 'the web is limited by physical distribution, lack of human contact and payment security.' [Source: CWRI]. This explains the rise in importance of personal service in recent years, in contrast to the apparent ever-encroaching ubiquity of the web.

- **Fragmentation**

Of media and the increasing importance of segmentation to reach audiences that are no longer a predictable, receptive audience for communications messages.

- **Metrics**

Michael Thomas, OBE, Past CIM Chairman and Past President of the Market

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Research Society, outlines the requirement for 'developing real skill in measuring marketing capability, based on the managed scorecard principle. If marketers gave leadership in this area – instead of the boardroom forcing it on them – their status might improve.'
[Source: CWR]

- **People**

There is a need for managing people to be given the same emphasis as the marketing mix and marketing strategy. 'We engage customers through engaged employees and need to be prepared to challenge trends that are clearing disengaging customers and employees,' as Juanita Cockton, Managing Director of The Marketing Studio indicates.
[Source: CWR].

- **Ethics**

Marketers are perhaps the best candidates to communicate internally the need for environmental, social and ethical considerations to be built into the fabric of the organisation's activities, not as a "bolt-on" to satisfy legal requirements or for PR purposes.



FIVE: A new definition for marketing

With these changes in the role of marketing in mind, we believe there is the need for a new definition of marketing. Our existing definition is 30 years old and comes from the pre-internet, pre-globalisation age. It was created when there was less of a focus on relationships or on service marketing, there were fewer channels to market, and marketing was a much simpler discipline. As a consequence, we believe that the current definition is no longer fit for purpose.

The following angles are representative of the disparate views of the people we have spoken to:

- The current definition of marketing as a “management” discipline is outmoded. Marketing is something that the whole organisation should engage in. “Management” also implies that ‘companies do things to customers instead of with them,’ in the words of Professor Evert Gummesson of Stockholm Business School. For Gummesson, successful companies don’t manage customers; they interact with them. [Source: CWRI].
- The definition does not take into account marketing’s value for not-for-profit companies.
- It was written before today’s recognition that all business activities impact on society and the environment, and before today’s growing concern at levels of consumption. Business sustainability needs to be built in to any marketing strategy.
- The move from transactional to relationship marketing: today’s customer has far more control. Customer trust is the key signifier for a successful company, and increasingly marketers will be judged on how their activities increase or decrease customers’ trust and thereby lifetime value, according to Don Peppers and Martha Rogers, PhD. Marketing should therefore be defined in relation to “value to both parties”, not (or not only) “profit”.
- The need for marketing metrics, which include intangibles such as brand valuation.

Whilst the majority of practising marketers that The Chartered Institute of Marketing recently surveyed believe that the existing definition ‘still covers the complexity of modern marketing’, the story is very different when considering the activities of the public sector and not-for-profit organisations. A significant

37% felt that the definition does not sufficiently apply to these areas. Taking these concerns into consideration, The Chartered Institute of Marketing's Research and Information team offers the following suggested new definition of marketing.

“The strategic 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.”

Marketing should be about thinking from the point of view of the customer. Yet many companies still operate product-centrally – making something, then employing “marketing” to generate demand for it. Whilst marketing undeniably has a role in creating demand, in forming this new definition we've tried to address what lies beneath the concept of being “customer-centric”. Strip away process and philosophy and what marketing really means becomes clear: it's about influencing behavioural change.

That change can be for the customer, and/or for the company, and/or for the shareholder, and/or for the wider community. Marketing cannot happen without an exchange – of views, beliefs or goods. We believe that marketers need to start seeing the process of exchange as being one of positive behavioural change.

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When marketers adopt this as the foundation of what they do – not at a tactical or procedural level, where areas of activity can carry on much as before – then we shall start to see real change on a number of levels. Firstly, the profession will become more respected, and the cynical idea that marketing is about manipulating customers into buying things they don't really want can be eroded. Secondly, the value of marketing will be seen by the customer, the company, the shareholder and the wider business world in the context of beneficial, sustainable exchange. Finally, a greater number of skilled, thoughtful, and innovative practitioners will be drawn to a profession that they might have previously disregarded.

We would like to open up the revised role of marketing and the new definition to the wider practising and academic community. Would the role of marketing be served better by splitting the profession into sub-disciplines? Does the new definition encompass marketing in the 21st century? Is there really a gulf between academics and practitioners, is it widening and if so, what should be done about it? Tell us by writing to shapetheagenda@cim.co.uk.



Many practitioners and academics have helped us with the preparation of this paper. The Chartered Institute of Marketing would particularly like to thank the following for their contributions. The overall views and opinions in *Tomorrow's Word* do not necessarily reflect the views of the individuals mentioned.

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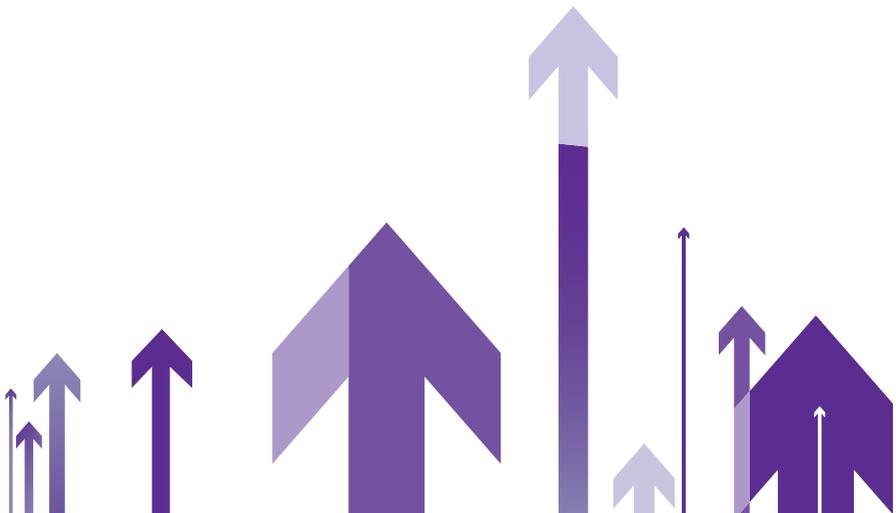
Looking Ahead

Today's youth are apparently different from us old timers: different in the way they access and process information, in the ways they interact with their peers and in the way they learn. Criticised for so long for spending too much time glued to computer screens and living in virtual worlds, it now seems that experiences like this can actually be powerful learning tools, teaching the basics of strategy, long-term planning and forming project teams and partnerships in a way that is uniquely hands-on and instantly reinforced.

Which begs the question; what are we doing to train these young people when they want to enter our profession? Are we guilty of sticking to old models of training when there are more dynamic alternatives that offer better results?

In our next agenda, launching in January 2008, we'll be looking at the way we train and develop marketers and asking if the learning and development professionals are getting it right.

Then, to coincide with the 2008 Beijing Olympics, we'll be looking ahead to the 2012 Olympics and asking if the much trumpeted marketing opportunities that should flow in the wake of London's being awarded the Games are just hot air, as the Olympic Movement, the Government, and the big corporations do everything within their power to keep marketing opportunities in the hands of a select few.





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Details correct at time of going to press.

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