Marketing Is Marketing Essay, Research Paper

Introduction:

Marketing is marketing, irrespective of the product or marketplace . This is a theme common to many introductory marketing texts and degree courses. The two most common exceptions cited to this proposition are buying behavior models between consumers and business buyers and the extended ingredients of the services marketing mix. While the overall sentiments of marketing hold true across product and market boundaries, perhaps the differences are in fact more marked? Intends to spark some discussion pertaining to the extent to which marketers can safely generalize when discussing the nature and characteristics of marketing. Are we correct in offering students and in-company training program generalizations that cut across the marketing domain? Are we doing justice to the core nuances if we simply draw out the variations between consumer goods, services, industrial and business-to-business marketing? Is there a different perspective that should, in the new millennium, be the focus of textbooks and marketing courses?

Content Indicators: readability, Practice implications, originality, Research Implications\*

Marketing is marketing, irrespective of the product or marketplace.

This is a theme common to many introductory marketing texts and courses. The two most common exceptions cited to this proposition are buying behavior models between consumers and business buyers and the extended ingredients of the services marketing mix (cf. Dibb et al., 1997; Kotler, 1998). While the overall sentiments of marketing hold true across product and market boundaries, perhaps the differences are in fact more marked?

The marketers of services were the first to speak out , arguing that the nature of marketing is different owing to the basic characteristics of services:

+ intangibility;

+ direct organization-client relationship;

+ consumer participation in the production process; and

+ Complexity.

The upshot for services marketers has been the extension of the marketing mix from the classical product, price, place (channel) and promotion 4Ps to include at least people, physical evidence (ambience) and process. These marketers also point to the characteristics of services, notably intangibility of the service product , restricting opportunities for creating a differential advantage over competitors, with the inevitable dependence for differentiation and competitive edge on branding initiatives and personnel.

While services marketers have outlined significant differences for their marketing , on the whole, texts and marketers have argued there are relatively only minor differences between the marketing of consumer goods and industrial or business-to-business goods. This paper is intended to spark some discussion pertaining to the extent to which marketers can safely generalize when discussing the nature and characteristics of industrial, business-to-business marketing. Are we correct in offering students and in-company training program generalizations, which cut across the marketing domain? Are we doing justice to the core nuances if we simply draw out the variations between consumer goods, services, industrial and business-to-business marketing? Is there a different cut of the cake which should, as the new millennium dawns, be the focus of textbooks and marketing courses?

As co-author of one of the leading introductory marketing texts, Marketing: Concepts & Strategies (Dibb et al., 1997), regular MBA, undergraduate and in-company lecturer, as well as marketing consultant, these are themes which, increasingly, are causing this author concern when preparing seminar papers and lecturing sessions. Based on many years of researching and working with consumer brands, services and industrial products, as a starting proposition, here is a very personal view of how marketing in industrial markets really is different. Or is it?

The core dissimilarities

From basic marketing analyses, via target market strategy decisions, to the determination of tactical marketing mix programs and controls, there are marked differences in the issues encountered and the approaches deployed between consumer and industrial marketing.

Buying behavior

(Figure 1) Consumer versus business-to-business buying illustrates the popular buying behavior models for consumer and business-to-business markets, revealing the additional specification stage in much business-to-business purchasing and the different sets of influencing forces (for example, Assael, 1997; Ford, 1997). There are many additional variations, including the role of the buying center versus consumer peers, the assessment of risk, the formality of buying and the nature of selling. Few marketers, though, seem to disagree with there being some quite stark differences in how consumers buy and how businesses make purchases.

Understanding competitors

Perhaps because of the prominence of brands and the high profile in-home media adopted in much consumer promotion, most consumer marketers are aware of their rivals brands and marketing tactics. All too often, such competitive understanding is only superficial, but consumer marketers at least exhibit strong awareness of their like-for-like competitive arena (Chang and Simkin, 1997; Simkin, 2000). In industrial markets, competitive intelligence is more difficult to attain market researchers cannot so readily conduct surveys of rival management teams and many businesses have only a haphazard awareness of their competitors intentions. Indeed, many managers seem so occupied with keeping up to date with product specification changes in their own portfolios and in sales force activity, that time allocated to assessing competitive forces is minimal.

Marketing research

Business-to-business surveys are notoriously difficult to conduct owing to:

+ secretaries gate keeping;

+ busy managers not wanting to waste time attending discussion groups or completing questionnaires;

+ incentives not being as attractive to recipients as in much consumer research; and

+ Confidentiality concerns being a major drawback.

Such marketing research does occur, but by no means as easily or as frequently as in consumer markets, nor does it utilize anything like the extent of in-depth qualitative techniques as favored so strongly by the marketers of consumer goods [1].

Market segmentation

Perhaps one of the most important aspects of marketing (McDonald and Dunbar, 1995), market segmentation, is frequently deployed by practitioners in all markets. There is a striking variation in the base variables used in order to define the segments. Despite the sentiments of (Table 1) Segmentation variables, which presents the textbook menu of variables to use, many industrial market segmentation schemes are nothing more than common-usage industrial sectors or internal product groupings: a long way from the customer need and attitude segments adopted by consumer marketers (Dibb and Simkin, 2000). Standard industrial classification coding or trade directory membership lists too often masquerade as customer grouping analysis.

Branding

Branding exists primarily for identification and to smooth the task of differentiating products (Macrae, 1996). There is a strong psychological ingredient inherent in consumer branding with many consumers, notably of supermarket merchandise, exhibiting strong loyalty to their favored brands. This is true in certain industrial markets, but for many products the required unique positioning concept and associated marketing communications campaigns are lacking substance, longevity and the sheer emotion of consumer brand building activity (Doyle, 1998). Branding for most business-to-business goods, particularly industrial products are less persuasive and emotive than for the vast majority of consumer brands.

The marketing mix

McCarthy s 4Ps have re-appeared in many marketing texts for around three decades. Product, promotion, pricing and place (channels) are still considered to be the tactical marketing toolkit manipulated by most marketing practitioners (Dibb and Simkin, 1997). Servicing marketing added the additional 3Ps of people, process and physical evidence [2]. For industrial marketing, it is generalized in most introductory marketing texts that the core 4Ps hold firm. Compared with most consumer goods, however, there is a much stronger customer service aspect to the product proposition: technical advice before a sale, ongoing customer support and after market operations. Marketing channels are often shorter, with much use of dealer networks or direct marketing. The sales force is central to the promotional mix, sales promotion is heavily deployed, trade shows and direct marketing are popular, and advertising tends to be more technical and less emotive in nature. Even pricing is different: few industrial buyers adhere to list prices, expecting to negotiate or consider tenders (Hart, 1994). Within the 4Ps , there are important changes of emphasis, while the importance of customer service and the managing the people ingredient in the marketing mix comes straight from the practices of services marketing.

Controlling implementation

While there are exceptions in some of the more long-standing and mature marketing departments, the sales-oriented culture inherent in most industrial companies has not provided a basis for the required operational controls to ensure the effective implementation of marketing activity (Simkin, 2000). Marketing activity is more ad hoc, short-term and tactical, rather than on-going brand building or rolling out longer term marketing plan recommendations.

Some marketers may perceive these variations between consumer and industrial marketing to be only at the margins. Nevertheless, they are, from experience, quite striking differences and manifestly alter the manner in which marketing is actioned. But do they make marketing per se take on a different guise and ethos?

Marketing is marketing

Marketing is not a science: there is no single correct definition or approach to undertaking marketing. The following commonly cited definitions illustrate this variation:

The aim of marketing is to make selling superfluous. The aim is to know and to understand the customer so well that the product or service fits him/her and sells itself (management guru Peter Drucker).

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably (the UK s Chartered Institute of Marketing).

Marketing consists of individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, servicing, distribution, promotion and pricing of goods, services and ideas (The American Marketing Association).

There are, however, common themes in most explanations of marketing. The most important are:

1. the ability to satisfy customers;

2. the exchange of product or service for payment or donation;

3. the need to create an edge over competitors;

4. the identification of favorable marketing opportunities;

5. profits or financial surpluses to enable a viable future for the organization;

6. that resources are utilized shrewdly to maximize a business s market position; and

7. The aim to increase market share in priority target markets.

If the right opportunities are pursued, customers are properly probed, the right customers targeted with a marketing proposition designed to give a business an edge over its rivals, it is highly likely that customers will be satisfied, market share will rise in core target markets and profitability will accordingly support a viable future. Conversely, if a business develops a product or service which fails to reflect customer expectations and needs, is no better than competing offers and takes no account of evolving market conditions, it is unlikely that the future will be prosperous for such an organization. These sentiments are equally applicable to consumer or industrial markets.

Definitions of marketing count for little if businesses do not develop a process, culture and set of operational procedures to actually do marketing (Cravens, 1998; Piercy, 1998). The textbooks promote a process, which hinges on marketing analysis, marketing strategy, marketing mix tactics and internal program controls, typified by (Figure 2)

The marketing process. Recent research (Dibb and Simkin, 1997; 2000; Simkin, 2000) indicates that the majority of large UK businesses do now practice marketing and that when undertaking the more defined tasks of market opportunity appraisal, market segmentation/target marketing, or marketing planning, they do indeed proceed through an analysis-strategy-programs process.

So, is it here where there is common ground: in how marketing is defined and in the marketing process to be deployed? Is this how marketing should be explained: a common set of goals actioned through a process of marketing analysis, strategic decision making, formulation of tactical marketing mix programs and operational controls?

Are the apparent differences in buying behavior explanation, competitor understanding, marketing research activity, market segmentation bases, branding, marketing mix ingredients and internal operationalisation, simply examples of marketing academics seeking to exaggerate perhaps only very minor variations in how marketing is perceived and utilized? Are there other, perhaps more fundamental differences between the activities of consumer and industrial marketers not cited in this brief overview?

Is there one way to describe and characterize marketing? Are any differences evident in industrial marketing merely subtle nuances or do they require their own full and proper explanation? Indeed, just what are the principal similarities and differences between traditional consumer marketing and business-to-business industrial marketing?

This author has concluded, marketing is marketing , with common objectives, processes and tools, irrespective of the market in question. However, the view presented here is that the basic marketing toolkit is applied differently and requires more than minor tweaking to tackle the characteristics of many industrial business-to-business products, target markets, and even marketing managers. What do you think?

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