

SRC ASSOCIATES

POSITION PAPER – 1 – JAN 2001 THE ROLE OF MARKETING & WHAT IT MEANS TO BE MARKET ORIENTED

The re-emergence of the marketing concept in recent years is not an anomaly, rather it is has been driven by the increasing demands of customers and the hyper competitive landscape of most industries, and hence organizations.

However, the terms ‘marketing’ and the marketing concept are poorly understood. In fact, marketing is often considered the sole domain of the marketing department (assuming an organization has one) and frequently used as a synonym for advertising or selling. At the other extreme, people refer to the marketing concept as some ill guided search for the holy grail of unending customer satisfaction at all costs. It is neither of these. Consider the following:

- *David Packard of HP stated that marketing was far too important to be left to the marketing department*
- *Eastern Airlines in the US had the highest market share of the domestic airline market for 8 consecutive years before going bankrupt*

The simple point is this: adopting the marketing concept is a business philosophy, a belief that whilst creating and satisfying a customer are the two primary objectives of any commercial organization (according to Peter Drucker), it is also about choosing which customers you will and will not serve, its about choosing what products/services you will and will not offer, and understanding that marketing is a business process that requires total company effort and commitment.

Empirical research demonstrates consistently that organizations with higher degrees of market orientation outperform their peers. The choice to use the term *market* orientation as opposed to *marketing* orientation is a conscious and deliberate one. It removes the negative connotation often associated with the word marketing and forcefully places anticipating and responding to the needs of the market and customers (profitably) as everyone’s responsibility. It is an organization culture that



values information acquisition and dissemination at all levels, and being customer oriented as the basis for all organization functions and processes.

Marketing is about choices, how and where you will compete, with whom, and for whom. Marketing is and will continue to be the business process that binds an organization both internally and externally.