THE ACCESSION OF MARKETING

The Internet boom was a bust; marketers rejoice!

BY

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I was asked the other day, "So, how are things in Marketing?" To which I gave my best, practiced response: "I don't know." The fact is, despite nominally being part of a *Marketing* department, I develop ebusiness concepts and partnerships. While run-of-the-mill exchanges like this normally cause me no pause, the ensuing conversation took me back to Introductory Marketing and on to an epiphany. I realized that if it had done nothing else, the Internet "boom" catalyzed the final accession of marketing to a position of primacy in business thought.

When I was an undergraduate in the early 1980s, the notion of brand positioning was only beginning to gain force. Trout and Ries had but recently been acclaimed for their seminal book, *Positioning*. The early disciples were successful preaching the gospel of Marketing mostly as a means of understanding buyer behaviour (e.g., the "adoption curve"), not as a business practice framework. While operations, finance, production, and so on had their place and value, to the Marketing scholar they were mere functions subordinate to and contemplated within the full marketing concept. It was evident in the list of marketing functions which no student could remember except by an ungainly acronym: POSDICR (Planning, Organizing, Staffing, Directing, Information Systems, Controlling, and Reporting). As a form of business consciousness, it was a theory that merited a broader audience, no doubt. But marketers' immediate struggle was the battle to detach from their field the narrow and sticky labels "sales" and "advertising".

The foundation stones of the Marketing approach are encompassed in the notions of customer-centricity and *solution*-delivery. With a marketing organization responding to customers' needs and wants, rather than presenting "solutions in want of a problems", buyer benefits would obviously be greater, sales higher, and the seller's business more successful. Moreover, the attendant goodwill would create a bond of relationship with the customer, ultimately becoming a competitive advantage for the Marketing practitioner. The theory held by virtue of proven economic and behavioural premises that markets collectively and buyers individually could be relied on to react consistently.

While all this was being advanced in academia and business people were steadily exposed to the concepts, Marketing's progress *as a method* remained slow. It was accepted like a student joining a grade five class in March: politely, maybe even warmly, but skeptically and with hesitation. After all, none less than the Japanese were showing up the world with their operational effectiveness. True, their electronic and automotive products were market hits; but in boardrooms that was apparently overshadowed by the "Japanese model" of production efficiency. Even consultants-turned-communicators were having an insignificant impact shifting the corporate mindset to one fully informed by marketing philosophy. For every Kenichi Ohmae there was a James Champy arguing that success came not from all that marketing and sales stuff but from rigorous process efficiency. Consider the number of management fads that took hold or resulted from this period: TQM, J-I-T Inventory, Re-engineering, ISO 9XXX standards, Best Practices, etc., etc.

The victories for Marketing during the 1980s may have had more to do with a growing pervasiveness of marketing-trained business school graduates than with any sudden enlightenment in the executive suite. Through the decade it had become impossible for any executive to ignore the continual, increasing expression of the marketing method, not just from outsiders but from among their own. Still, the steps being taken generally, were tentative at best. On the other hand, at least Marketing was being recognized not simply as "sales" by another name nor as advertising creative. Its *methodological* and *strategic* roles were finally being considered seriously.

With the short recessions that tempered business activity as the 1990s opened, the corporate world's success measure was how lean and mean the organization could be made, not how well the marketing efforts were working. Businesses were being re-engineered and right-sized. Given that the value in the experiential branding process is hard to see in immediate financial results—except as costs—marketing was a natural target for enforced austerity. Even today the first significant casualty of budget restriction is the "non-core" soft-measure area of marketing.

Then came one of the longest sustained economic expansions in Western history culminated by the Internet-driven explosion. The promise (or threat) of new paradigms and new rules was everywhere. As it turns out, that hubris created unsustainable—often implausible—commercial misadventures. But, with a full generation of marketing-savvy business school alumni left in a hospitable environment, the full breadth of the Marketing method and philosophy could be brought to bear in practice. Marketing underscored practically every business plan and operation in the dot-com period. "First to market," eyeball capture," and "market penetration" were among the foremost stratagems for creating billion-dollar businesses overnight. It was a dream: a once-in-a-lifetime anomaly of having capital markets reward expensive, practically unrestricted, and ultimately unfulfilled experiments with only long-term financial accountability.

When the capital markets and traditional management snapped to, they ended the experiment and deemed it a failure. Who could argue? Boo.com, Priceline.com, Amazon.com, to mention only a few, were dead or dying, billions in investment squandered and their promises still unrequited. How terrible for Marketing: it had failed in prime time. Or had it?

Not to diminish the long-standing successful efforts of so many consumer brand marketers that have shown skill, ingenuity, and leadership, but "brand" finally became a commonplace business concept with the Internet. (How often did we hear the words, "It's all about brand" in the last half of the 1990s?) What alternative was there in a world where the apparent end-game was utter commoditization? When buyers could find suitable products from multiple sources quickly and easily; where buyers could be impervious to "pushed" product promotions; where price would be pre-eminent in the buying decision (and that simply would not do); differentiation within the market's perception was the only intelligent thing for a business to do. To gain a competitive edge in the market the product/service had to be endowed with an experiential character to augment (or overcome) the objective features of design, price, quality, etc. Brand.

Then again, it wasn't *all* about brand. Marketing raised the ante by using the conversation that could be had with individuals in the market via the Internet, and promised greater rewards through *personalization*. Dealing with buyers as individuals would lead to more sales relative to competitors not treating the market that way. Among other things, it should also create costs for disloyalty (i.e., a cost of switching). Marketing to individuals was the new Jerusalem; getting there would require a technological crusade. Thus did CRM, with or without the "e", gain prominence within the context of the natural marketing *reductio*: one-to-one marketing. Led on by new economy marketing firms such as Peppers and Rogers, the entire business world made its move toward the online, permission-based, data-mined, personalized, customer relationship management marketing paradigm.

The promise has yet to be fulfilled, but—and here's the difference—businesses continue to invest in and develop on these marketing initiatives. This time, we've remembered to hold on to the baby when casting off the bathwater. If we've learned nothing else about Marketing's progress over the last twenty years or so, it's that the first try rarely meets expectations. Our experience at getting marketing and business right, particularly in the Internet age, indicates that it is an iterative refinement process. Soon the consumer benefits of personalized one-to-one marketing will come. eCRM will work effectively *without* annoying the buyer. Those visionary businesses that were at the forefront of the crusade because they were misfortunate enough to have "first mover advantage" will be long since buried and forgotten, although their advances will be the foundation for new success. Because this time, Marketing has the faith.

In this commercial generation, Marketing has come a long way. Beginning as a newly formalized notion of how making customers the focus would result in greater success, Marketing has become an overriding commercial methodology and philosophy. With the support of professional evangelists and scholars, in the necessary if not always hospitable environments of: a boom that allowed it to take hold as a valid, albeit not fully accepted, tried, or even understood concept; a downturn that gave it incubating time as the process engineers squeezed out people and efficiencies; and an extended boom that liberated marketing-receptive senior managers to spend the money and extend the latitude needed in the technology age. Marketing came of age. The rise it made in the business culture and commercial psyche during the last quarter of the twentieth century culminates in accession to the pinnacle of business consciousness. Marketing has finally arrived at centre stage: It is the twenty-first century business methodology. Long may she reign.

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