Many attempts have been made to define marketing, some of which have been listed by Crosier [1]. The difficulty in doing so is compounded by the evolution of marketing, which has seen it progress from adopting a purely managerial approach through systems, environmental, social and societal approaches [2]. Further complications in defining the nature and scope of marketing stem from the legitimately varied perceptions of the many contributors to the debate (for example, Kotler and Levy, [3,4], Kotler [5] and Luck [6]). Thus there are many varied perceptions of what marketing is and is not.

The approach adopted here is that marketing is a combination of the marketing concept, marketing functions and the operational implementation of these functions in the context of the concept. Figure 1 illustrates this. Thus to be truly marketing orientated, it is necessary for an organisation to adopt the marketing concept and to plan and implement marketing functions.

Implementation of one, or indeed all, of the marketing functions without adoption of the marketing concept is not marketing. However, having adopted the marketing concept, it is not necessary to implement all of the functions, merely those that are appropriate to prevailing circumstances. Thus, before the operationalisation of marketing functions can be considered, it is necessary to examine the marketing concept and the implications of its adoption for the marketing functions.

The marketing concept can be most simply explained as a belief that the organisation can function in the best interests of its customer and its self where a balance is achieved between the needs of both of these parties.

That is to say the organisation should not adopt an approach in which it is concerned only with its own capabilities and values. This is usually termed product orientation. Here the organisation provides the product it is best at producing and judges its quality by its own perception of quality rather than that of the customer. Where there is a coincidence of perception between supplier and customer or where demand exceeds supply, this approach may prove satisfactory. However, such an approach is likely to be short term as the demand/supply situation which prevails will encourage market entrants who are likely to attempt to satisfy customer demand more directly.

Thus over-emphasising the organisation's side of the equation is likely to prove inefficient. Having realised this, many companies then proceed to overstate the customer side of the balance. This is done either by using aggressive advertising
and selling to persuade customers that the goods/services offered do satisfy their requirements (and believing that by the adoption of marketing functions they are now marketing orientated) or by providing the customer with all his/her requirements. This latter approach is likely to lead to a wide product range with "something for everyone", high inventory of raw materials, work in progress and finished goods, increases in production down-time and idle-time, and dissipation of management and selling resources.

Thus, in their varying ways, both product and sales orientations are an inefficient use of the resources of the organisation. The marketing-orientated organisation is concerned to identify its capabilities and resources, as well as to identify customers and their requirements. However, there is a recognition that the market is not homogeneous and can be subdivided into many segments where there is a variation in demand and in the characteristics of the customer.

Having segmented the market, the marketing task is to match organisational capabilities to the demands of a particular market segment(s) to achieve the overall objectives of the organisation.
Figure 2.
Marketing Tasks and Operations

<table>
<thead>
<tr>
<th>Task Number</th>
<th>Task Description</th>
<th>Marketing Operations Procedure</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Describe</td>
<td>Set forth in words, characterise either qualitatively or quantitatively</td>
<td>Description of marketing status, environment, problem i.e. marketing audit</td>
</tr>
<tr>
<td>2.</td>
<td>Diagnose</td>
<td>Infer presence of from symptoms; formal statement of this, ascertainment of cause of fault</td>
<td>Diagnosis of problem(s) revealed in position audit</td>
</tr>
<tr>
<td>3.</td>
<td>Analyse</td>
<td>Examine in detail, ascertain elements or structure</td>
<td>Analysis conducted quantitatively wherever possible, detailed identification of structure of problem/prevaling circumstances</td>
</tr>
<tr>
<td>4.</td>
<td>Produce prognosis</td>
<td>Forecast, predict or give advance indication</td>
<td>Production of quantitative demand/sales/ market share forecast plus long-term qualitative forecasts of the demand/sales scenario</td>
</tr>
<tr>
<td>5.</td>
<td>Prescribe</td>
<td>Lay down or impose, advise use of</td>
<td>Recommend to management, provide detailed support for detailed proposals in appropriate form</td>
</tr>
<tr>
<td>6.</td>
<td>Implementation</td>
<td>Put into effect, perform</td>
<td>Implement detailed marketing functions of product, price, place and promotion</td>
</tr>
</tbody>
</table>
An organisation with widespread resources and large capabilities can thus efficiently compete in many segments (e.g. a motor manufacturer such as Ford), whilst a smaller organisation with fewer resources will compete in a few, or even only one, market segment (e.g. motor manufacturers such as Morgan, TVR and Lotus). Strategically, organisations may select market segments for subsequent planned entry. This approach also allows marketing resources, such as advertising expenditure, new product designs, salesmen, etc, to be used more efficiently, as they can be targeted on the known characteristics of specified market segments.

This marketing-orientated approach naturally requires efficient marketing research. This, however, is not merely concerned with the identification of markets and their characteristics, though this is essential, but also with research into the effectiveness of marketing functions, such as advertising, pricing, etc. Equally important, however, is the research into organisational resources and capabilities, and the position of the organisation in comparison with competitors. Thus the organisation must conduct an audit of its own resources and identify its market position. Where deficiencies are evident in comparison with the needs of available market segments, improvements in the organisation are clearly necessary to benefit fully from a marketing orientation.

The marketing approach of adopting the marketing concept as explained above is not confined to traditional goods and services. The terms “product” and “organisation” have been used so far, and these are intended to include any market offering (whether industrial or consumer, good or service) and any organisation whether it be established for profit or non-profit motives. Kotler [7,8] sees marketing as applying to any exchange process.

The view adopted here is that the marketing concept can be applied to any organisation, provided it is recognised that varying organisations have different objectives — some profit, some non-profit. Marketing is the business approach which is the most successful in balancing the organisation’s resources with market requirements to achieve any defined objective.

The issue that must now be addressed is what tasks a marketing-orientated person or organisation must undertake. Figure 2 identifies six main tasks. Firstly, it is necessary to describe the situation. This involves conducting a marketing audit which comprises an audit of resources, market and position.

The resource audit is concerned with identifying the available resources either quantitatively or qualitatively. The market audit examines the performance of the market and the characteristics of customers in the market. Following the completion of a resource and market audit, a position audit can be undertaken. This seeks to identify the organisation’s position in the environment, particularly as compared with competitors. Figure 3 identifies the typical factors that should be considered in these, but this is not a complete list as the items vary from one situation to another.

Once the current situation has been described, it is necessary to diagnose the problems revealed in the marketing audit. This should show the areas of organisational activity and market sectors which require detailed analysis. Analysis of these areas and sectors should be quantitative wherever possible and based on ascertaining the structure of the problem. That is to say, for example, why,
The following items are indicative of those to be considered:

(1) **Resource Audit**
- Manpower
- Management capability
- Production capacity/mix/utilisation/potential
- Corporate image
- Finance, availability, cost, flows, etc
- Product/service offered; new product development prospects, design capability
- Synergy potential for development

(2) **Market Audit**
- Historical market demand
- Forecast market demand
- Market variables that will affect demand
- Economic, political, social and technological environment
- Legal/moral/ethical constraints
- Geographic, demographic and psychographic profile of customers
- New uses-market segment opportunities
- Competitor status/activity/prospects
- Distribution network characteristics
- Current marketing methods in the market

(3) **Position Audit**
- Company sales performance, volume/value, past/forecast
- Market share
- Financial performance *vis-à-vis* competitors
- Sales performance *vis-à-vis* competitors
- Brand and corporate image *vis-à-vis* competitors
- Distribution strength
- Sales/profit sensitivity (to economic and seasonal fluctuations as well as to changes in level and mix of marketing functions)
- Contribution to national and/or social profitability

if sales have fallen, have they done so? What factors could have caused it? What explanations are possible for each factor?

Based on this analysis, a prognosis of future developments for the organisation and its environment can be produced. This should include demand and sales forecasts and should lead to the development of appropriate strategies.

The appropriate strategies may be prescribed that will involve not only identification of detailed tactics, but also resources to be employed, time scale, limiting factors, risks and costs to achieve defined objectives.

In the case of professional services such as advertising and market research agencies, the tasks may conclude at this stage with implementation being undertaken by the client's management. However, where the prescription is provided within the executing organisation, the implementation of the marketing functions of product, price, place and promotion should follow. This should be
accompanied by continuous marketing research and surveillance of results to enable corrective action to be taken. The comparison of actual results with the previous prognosis will allow the operation of management by exception. Further feedback to earlier stages in the task chain will allow further refinement and detail of the description, diagnosis and analysis tasks.

<table>
<thead>
<tr>
<th>Task</th>
<th>Task Description</th>
<th>Procedure</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe</td>
<td>Identify the characteristics of the market: geographic and psychographic dimensions</td>
<td>Select appropriate segmentation variables, quantify and group to establish homogeneous segments</td>
<td></td>
</tr>
<tr>
<td>Diagnose</td>
<td>Examine the behavioural response characteristics</td>
<td>Identify customer buying behaviour, segment by benefit, usage rate, loyalty, etc. and link to description of market</td>
<td></td>
</tr>
<tr>
<td>Analyse</td>
<td>Identify competitive market position and relate to available company resources</td>
<td>Identify competitive products’ characteristics and performance and perceived place in market. If own product not on market, identify alternative strategies and relate to available resources. If own product on market, relate position to resources. Check alternative strategies against existing strategy/position. Relate strategies to objectives and choose most effective strategy given known resources to best achieve objectives.</td>
<td></td>
</tr>
<tr>
<td>Produce prognosis</td>
<td>Identify alternative competitive strategies available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescribe</td>
<td>Select and recommend appropriate target and positioning strategies</td>
<td></td>
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</tbody>
</table>

Figure 4. Market Segmentation and Positioning Tasks
Thus the marketing-oriented company strives not only to satisfy the customer, but to achieve an appropriate match between market requirements and organisational capabilities. The key to this lies in the recognition that what customers seek is the delivery of benefits. These may be fulfilled in a variety of ways and may be perceived differently by varying customer segments. For this reason, the process of segmenting markets and consciously positioning products into specific sectors or niches is a crucial part of the marketing concept. The overall tasks of marketing as shown in Figure 2 can be applied to the activities of segmentation and positioning; Figure 4 illustrates this. This shows that the application of a logical step-by-step approach to the implementation of marketing can improve the way in which the marketing functions are managed in the interest of both the organisation and its customers.

In recent years, Japanese companies have been particularly adept at achieving this as Kotler has shown [9]. Moreover, as Lorenz [10] has demonstrated, the most successful companies are those which recognise that marketing “should pervade the corporate culture and transcend any functional department or title”. Thus, whilst the marketing functions are important, it is the adoption of the marketing concept that is a prerequisite to their successful implementation. The marketing concept can be adopted not only by people in marketing functions, but also by others in other specialisms, for example, accountants, production staff, designers, etc. However, it is astonishing that given the enormous debate and publicity surrounding the marketing concept, and despite formal contributions dating back to 1945 [11] and before, as well as since [12-36] so few companies have fully embraced the concept.

Lorenz [10] says: ‘..for most of the last quarter century it has only been in package goods ...that marketing has been practised in anything near the breadth and depth that Levitt advocated’. He goes on to argue that elsewhere, unlike the Japanese, Western manufactures have adopted a production/sales mentality, “They may think they are practising marketing but they have confused the tools with the concept’. Lorenz enlists the support of Peters and Waterman [37] who say “lip service” is given to market orientation and Kotler [38]: “We’ve been talking about marketing for 25 years but few companies really do it”.

Lorenz suggests that one of the major reasons for this is the confusion between sales and marketing which, he believes, arises because the concept of marketing is harder to understand than its various tools. A second major reason he gives is the confusion with market research and domination by it.

This is undoubtedly true, but if the role of the concept as espoused here, and its relationship to the logical operational implementation of marketing functions, were more clearly communicated, these problems might disappear. The fear that pedantic concern for spurious market research might stifle creativity would similarly disappear if it were appreciated that research must be directed at identifying the benefits or values customers seek.

If marketing is to make more progress in the next 25 years than Kotler believes it to have done in the last 25, its dual components of concept and functions and their interrelationship must be clarified. Furthermore, the logical approach to
problems and their solution must be developed, whilst at the same time not reducing the need for creativity in the development of ways of delivering the benefits customers require.

However, care must be taken not to overstate the needs of customers. The customer is not king, as, whilst his needs are important, the objective of the marketing concept is to balance these with organisational capabilities to achieve stated objectives. Functional efforts to satisfy all the needs of all the customers, rather than those of specified segments which can be effectively serviced, leads to sales rather than marketing orientation. Adoption of the marketing concept is more important than any individual marketing function in the effective management of an organisation.

References
