THE MARKETING CONCEPT AND THE CONCEPTUALIZATION OF MARKET STRATEGY

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The *marketing concept* has had a profound influence on the conceptualization of market strategy. However, a review of the literature suggests that, today, the marketing concept is not a single customer-oriented paradigm, but a muddle of diverse slogans and prescriptions that impede seminal discourse. Further, since the '70s, work intended to refine the marketing concept or facilitate its implementation has made few contributions to strategic thinking. Executives, therefore, are advised to look further than the marketing concept for guidance in matters of corporate, business, and functional strategy. Nevertheless, they must not forget their customers.

INTRODUCTION

For decades, the *marketing concept* (MC) has been the centerpiece of marketing ideology and the kernel of managerial marketing theory (Brownlie and Saren 1992). Its central themes are: (1) Entire business organizations, not just marketing departments, should be *customer oriented*; and (2) interfunctional coordination is vital. These themes have been declared boundless and applicable to all industries, product life cycle stages, and organizational levels. Accordingly, the MC is intended not merely to provide guidelines for the marketing function, but to be a core value of corporate culture that shapes strategy and practices at all levels (Anderson 1982; Webster 1994; Slater and Narver 1995).

In actuality, however, there is no MC. Instead, we have a grab bag brimming with zealous slogans, diverse maxims, and sketchy theories—all of which are called the MC (Sachs and Benson 1978; Wakefield 1993/94). What it means to be customer oriented, whether interfunctional coordination must be marketing-driven, and whether a company's customer orientation should be mediated by profit criteria are among the many questions to which the MC's innumerable renditions offer conflicting answers. Moreover, critics allege that popular versions of the MC underlie many business ills and are either trite or far from boundless (Sachs and Benson 1978; Bennett and Cooper 1979, 1981; Brownlie and Saren 1992).

This article provides an overview of various doctrines said to characterize the MC and offers a timely reassessment of their impact on what Porter (1987) calls strategic thinking. It is anchored in the premise that good practice depends greatly on good mental models (Senge 1990). A review of the MC's genesis and evolution follows immediately and serves as the backdrop for subsequent discussions and practical recommendations.

GENESIS OF THE MARKETING CONCEPT

Rudimentary versions of the MC have been around for centuries and are reflected in such slogans as "The customer is king!" (Fullerton 1988). But the proposition that, for the good of the firm, every business should be viewed by management as a customer-satisfying rather
than a goods-producing enterprise did not acquire a name or become the topic of ardent rhetoric until the late 1940s.

The MC congealed after World War II in response to changing economic conditions and naive production-centered thinking (King 1965; Fullerton 1988; Gilbert and Bailey 1990). General Electric's J. B. McKitterick (1957) observed that executives of earlier times may have encouraged each other to keep the customer in mind, but seldom equated competitive advantage with consciously matching offerings to customers' preferences. Nor did they envision companies as vendors for hire by customers interested in little more than their own welfare. Instead, executives of the '20s, '30s, and '40s equated winning in the marketplace largely with reducing cost while offering a parity product. Further, they placed too much emphasis on sales volume and too little on profit. Nonetheless, until World War II ended, concentrating on making scarce consumer goods available and affordable may have been in the best interest of business and consumers (Keith 1960; King 1965).

By the late 1940s, bargaining power in American markets had shifted from sellers to buyers (Weeks and Marks 1969). Ralph J. Cordiner, General Electric's former president, was among the first executives to fathom the strategic significance of the power shift and to deem survival in business dependent on matching products to customers' wants. In GE's 1952 Annual Report, he conveyed his organization's commitment to the MC as follows:

[The marketing concept] introduces the marketing man at the beginning rather than the end of the production cycle and would integrate marketing into each phase of the business. Thus marketing, through its studies and research, will establish for the engineer, the designer and the manufacturing man what the customer wants in a given product, what price he is willing to pay, and where and when it will be wanted. Marketing would have authority in product planning, production scheduling and inventory control, as well as in the sales, distribution and servicing of the product (King 1965, p. 77).

Cordiner's articulation typifies traditional interpretations of the MC, which confer preeminence on the marketing function and portray marketing research as the linchpin of enlightened business practice (Gilbert and Bailey 1990). His vision centered on "satisfaction engineering"—i.e., on finding wants and filling them in lieu of making products and subsequently scheming to sell them (Kotler 1972, p. 31). So as to make selling superfluous (Drucker 1973, pp. 64-5), all business activity was to start "with marketing research and sales forecasting to provide a sound, factual, customer-oriented basis for planning" (King 1965, p. 76). Furthermore, profit, rather than sales volume, was to be emphasized (McKitterick 1957).

"NEW AND IMPROVED" RENDITIONS

By the early 1960s, a few supporters of the MC had become concerned about the marketing fraternity's increasingly imperious view of itself. Overemphasizing marketing, they warned, is as hazardous as overemphasizing production, finance, or any other functional specialty (Felton 1959). Further warnings, questions, and criticisms soon followed. For instance, Sachs and Benson (1978, p. 73) proclaimed "Business does not practice the marketing concept because it is impractical and not in its best interest to do so." As examples of common departures from the MC's doctrines they cited the profusion of imitative brands, which afford customers no unique benefits, and the plethora of persuasive advertising laden with half-truths and misleading claims. The marketing mainstream responded to such criticisms by pointing out that many observed marketing practices are not compliant with the MC and by formulating "new and improved" variants of the MC. Such variants are still growing in number, and their meanings are still far from congruent (Wakefield 1993/94).

Society and the Marketing Concept

Some critics considered the MC socially undesirable because its purpose was to increase profitability rather than trumpet the societal obligations of business (Bell and Emory 1971). Inevitable conflicts among customer, public, and corporate interests, they feared, would be resolved in favor of the corporate side, and marketing research would be used to manipulate rather than satisfy customers. At least one critic believed the MC had transformed companies into "one of society's more predatory creatures, ... stealthily and eagerly stalking the marketplace" (Dawson, 1969, p. 34). In response, the societal marketing concept was formulated, which instructs executives to implement the MC so as to benefit society at large in addition to customers (e.g., Kotler 1972, pp. 33-5).

Firms have social responsibilities, of course. However, the
MC was never intended to be a moral declaration. Instead, it was, is, and should be a strategic heuristic grounded in the conviction that long-term profitability is the result of serving customers' and society's interests. Though profitability should be envisioned as a reward for pleasing customers in a socially responsible way, the MC's basic purpose is to provide guidelines for realizing organizational financial aims (Day and Wensley 1983; Dickson 1994, p. 14).

**Additional Stakeholders and the Marketing Concept**

The *stakeholder concept* calls for balancing the interests of all internal and external corporate constituencies, including employees, customers, investors, vendors, and the general public (Ackoff 1981; Sturdivant 1981, pp. 11-12). Although it probably did not evolve from the MC (Lusch and Lacziak 1987), it augments the societal MC by reminding executives that customers and society are only two of many groups that can affect a firm's destiny. Further, the stakeholder concept and attendant theories underlie conceptual frameworks that explicate managerial marketing phenomena from political perspectives (e.g., Stern and Reve 1980; Anderson 1982; Arndt 1983). Anderson's (1982) highly influential *constituency-based theory of the firm*, for example, emphasizes political rivalry among internal constituencies, depicts internal constituencies as deriving power from successfully securing valuable resources from external constituencies, and prescribes marketing's internal role as that of customer expert and advocate. It also advises marketers to understand the world views and decision making processes of other corporate constituencies whose agendas may compete with marketing's.

**Marketing Research and the Marketing Concept**

Central to the MC is the conviction that firms must find out what prospective customers want. Thus, GE's Ralph Cordiner and countless other executives took for granted that rigorous marketing research must play a vital role in implementing the MC (King 1965). However, scholars have pondered the capabilities of "scientific" marketing research and, thereby, raised doubts about the MC (Bennett and Cooper 1979, 1981; Oxenfeldt and Moore 1978). Most notably, they questioned the extent to which marketing research can actually determine what customers want, particularly since customers often do not recognize or cannot articulate their desires. For instance, in the early '70s, secretaries would have expressed a need for quieter typewriters and better correction tape; but they could not have envisioned today's word processing programs or electronic spreadsheets. Furthermore, at first, people often say they will reject truly original products that they embrace later. Initial rejection of innovative products (e.g., birth control pills and personal computers) by most prospective customers is common because acceptance frequently requires adopters to change life styles or ingrained personal values (Tauber 1974).

Excessive reliance on marketing research in the MC's implementation fosters imitation, not innovation, according to Hayes and Abernathy (1980). It also may have contributed to the plight of American companies in international markets, which are populated with Asian and European firms that are much less infatuated with conventional marketing research (Johansson and Nonaka 1987). Some critics also claim that consumers no longer perceive significant differences among major brands in many product categories and, therefore, make only cursory pre-purchase performance evaluations (Oxenfeldt and Moore 1978; Trout and Ries 1979). Nowadays, they believe, virtually every company is customer-oriented and has access to state-of-the-art marketing research. Consequently, numerous firms are likely to offer products that are virtually homogeneous and equally capable of satisfying each customer's needs and wants. In such markets, campaigns directed toward enhancing brand awareness or positioning brands advantageously in buyers' minds are often much more profitable than well-intended customer-driven product development efforts.

The MC's defenders generally acknowledge that marketing research has pitfalls, but claim the MC does not imply customer insights can be gained only through rigorous marketing research. The MC, they assert, simply mandates that firms understand their customers and says nothing at all about how requisite knowledge may be gained. Nevertheless, some marketing pundits have advocated "modernizing" the MC in a way that suggests anticipating customers' needs is apt to be more rewarding than merely reacting to expressed wants and preferences (Samli, Palda, and Barker 1987).

**Competition and the Marketing Concept**

Since the early '70s many textbooks have championed renditions of the MC fortified with warnings to the effect that organizations must deliver not only desired customer benefits, but must be more effective and more efficient than their competitors (e.g., Kotler 1972, p. 31). Dickson (1994, p. 5) dubbed such competitor-cognizant articulations the *strategic marketing concept*.

The strategic MC was formulated in response to criticisms that maintained earlier customer-centered versions
actually diverted attention from critical competitive matters, such as the firm's and its competitors' vulnerabilities (Oxenfeldt and Moore 1978; Porter 1983). But whether the strategic MC has focused sufficient attention on competitive issues is questionable. It, too, sounds as though profitability is just a matter of staying ahead of competitors in the customer-satisfaction derby, as though continually "out-innovating" competitors requires little more than dedication, and as though production and distribution capabilities required to fulfill identified customer needs can be obtained overnight. Moreover, many "me-too" products are profitable (Golder and Tellis 1993). Thus, while some firms may end up being imitators due to their excessive reliance on conventional marketing research, others undoubtedly choose to forego being innovators for sound reasons.

Note also that no version of the MC accommodates obstructive tactics that damage competitors without benefitting customers (MacMillan 1983; Gruca and Sudharshan 1995). Such tactics cannot replace constructive strategy, which entails offering customers more for their money. However, obstructive actions can buy time by slowing the erosion of competitive advantages. For example, by initiating a lawsuit that lasted four years, a Seattle-based beer distributor prevented a German company from building a brewery in Anchorage while the Alaskan pipeline was under construction. The American company eventually lost the suit, but by then the pipeline had been completed and the throng of thirsty workers had gone home (Business Week 1979).

**Implementation of the Marketing Concept**

The most common rejoinder to skeptics has been that poor practices implemented under the guise of the MC are not truly in compliance with the MC's tenets (Levitt 1975; Houston 1986; Samli, Palda, and Barker 1987, p. 45). Yet, placing blame on implementation offers no solace once competitive edges, customers, and profits have been lost. To the extent that authors of strategic maxims should anticipate how their advice will be interpreted and put into practice, improper implementation is a direct reflection of flawed formulation (Kiechel 1982, pp. 37-8). Moreover, if the MC merely points out that pleasing customers and coordinating effort are important, or that volume is no substitute for profit, then it is simply a platitude.

Rather than shrug off the pitfalls and misgues critics have ascribed to the MC, several marketing scholars recently tried to learn what it takes to implement the MC successfully. Most notably, Kohli and Jaworski (1990) proposed using the term *market orientation* to denote the MC’s implementation. They derived the following definition from their exploratory empirical research (p. 6):

> Market orientation is the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it.

Kohli and Jaworski defined market intelligence as information not only about customers, but also about competitors. In addition, they interpreted their research results as suggesting that profit is best viewed as the result of successfully implementing the MC and not as a direct mandate of the MC. From their definition of market orientation, it can be inferred that the MC should promote the generation, dissemination, and application of market intelligence throughout the organization and should not focus attention directly on profitability.

Kohli and his colleagues went on to develop the 20-question MARKOR scale, which purportedly measures market orientation (Kohli, Jaworski, and Kumar 1993). Correlations between MARKOR scores and profitability have not yet been reported. However, using their own scale and a somewhat different definition of market orientation, Narver and Slater (1990) tried to assess whether a market orientation really does improve business performance. Their exploratory research was limited to a survey of personnel from 140 SBU’s of a major forest products company. It revealed relationships between profitability and three hypothesized behavioral components of market orientation: customer orientation, competitor orientation, and interfunctional coordination. A strictly positive relationship characterized the noncommodity businesses in their sample. However, a U-shaped relationship portrayed their commodity businesses insofar as moderately market-oriented businesses of this type performed worse than like businesses adjudged to exhibit either high or low market orientations.

In a later study of 81 SBU’s of a forest products company and 36 SBU’s of a diversified manufacturing corporation, Slater and Narver (1994) found little evidence to suggest that the strength or form of the relationship between market orientation and performance is contingent on the competitive environment. However, Workman’s (1993) in-depth case study of a prominent "high-tech" firm strongly suggests that environmental factors do have a bearing on the MC’s efficacy.
SCOPE AND SUBSTANCE

Slater and Narver (1995) recently advanced yet another definition of the MC via the parallel construct market orientation. They stated:

[Market orientation] is the culture that (1) places the highest priority on the profitable creation and maintenance of superior customer value while considering the interests of other key stakeholders, and (2) provides norms for behavior regarding the organizational development of and responsiveness to market information (p. 67).

This very current proposition is integrative and intuitively appealing. But it brings to mind what purveyors of the MC have failed to do and may never achieve, namely advance a formulation that encapsulates the universal keys to success in business and affords insightful actionable advice.

Coarse Delineations

Coarse delineations of the MC have amounted to little more than common sense in pedantic trappings. After all, cautions to the effect that firms should pay attention to their customers rather than ignore them, that coordinated operations are more effective than unorchestrated actions, and that sales volume is no substitute for profit are neither new nor profound (Sachs and Benson 1978). Further, maxims that cover "everything" tend to cover nothing because, when everything is assigned top priority, nothing receives priority.

In sum, broad formulations of the MC tend to be trivial and without specific actionable content. They require further interpretation and, thus, have "come to mean different things to different people so that diverse and often contradictory actions can be justified by the same precepts" (Sachs and Benson 1978, p. 68).

Specific Delineations

Unfortunately, the plethora of relatively specific interpretations of the MC in use and in print comprises a jumble of incongruent notions that, at best, are sound only under particular circumstances. The requisite circumstances are never spelled out, however, because the MC is generally promoted as a global "religion." Understandably, executives have difficulty figuring out which, if any, version of the MC they should adopt and what, exactly, they should do. For instance, should they take Webster (1994) and like thinkers literally when they insist customers must come first, always, and profit is merely a byproduct of customer satisfaction? Marketers who participated in Workman's (1993) case study admitted their company would be in trouble if customer-centered advice were always followed. Furthermore, the societal MC, the stakeholder concept, and the strategic MC were invented because pleasing customers is necessary, but not sufficient to guarantee a firm's prosperity. Thus, pleas to literally subordinate profit to customer satisfaction appear to be little more than parochial marketing rhetoric that investors, most other stakeholders, and academics in non-marketing fields find unpalatable.

Additional questions arise when juxtaposing various renditions of the MC, including: Should firms focus predominantly on prospective customers, or should they study competitors in depth as well? Should they rely on marketing research to find out what customers need and want? If not, when not; and what should they do instead? Does the current emphasis on marketing intelligence apply as much to the corner grocery store as to international conglomerates? When, if ever, should firms make a product first and develop markets later? Are imitation, puffery in advertising, and obstructive tactics congruent with sound business practice and the MC? Should marketing always rule the roost, or should the power acceded to engineering, production, finance, and other functional areas sometimes match or exceed marketing's? And is profit really best viewed as natural fallout from implementing the MC?

Different interpretations of the MC provide different answers to such questions. Table 1 suggests the "correct" answers to many of these questions surely depend on the state of the world that prevails at a given time (Saml, Palda, and Barker 1987; Semeni 1987; Kohli and Jaworski 1990; Workman 1993). Therefore, rather than rely on conventional marketing wisdom, practitioners must answer questions about the MC's efficacy themselves while taking the particular contextual elements of their operations and their industries into account.

WHAT TO MAKE OF THE MUDDLE

Nowadays, the term "marketing concept" is used widely by marketing scholars as a synonym for "competitive market theory from marketing's perspective." Therefore, relatively specific formulations and explications of the MC may be viewed as rudimentary hypotheses about effective business practices. They require evaluation and, very likely, refinement. Unfortunately, whether they are served
up as catchy slogans or as book-length theses, they are all called the MC, making it difficult to focus on substantive differences without being sidetracked by semantics. Perhaps, the very term "marketing concept" is destined to remain a catalyst for misunderstanding.

The More Variety, the Better?

Wakefield (1993/94) hoped a highly respected marketing organization would advance an "official" rendition of the MC so as to quell semantic confusion. Such an authoritative pronouncement would be counterproductive, however, because it would suggest closure had been achieved and, thus, would inhibit further debate of unresolved issues. Also, editorial biases against strategic perspectives that downplay the customer's significance would be exacerbated at a time when marketing scholars should be encouraged to explore the business world from all angles, even those that are antithetical to traditional doctrine.

Evaluations of extant and future MC variants are apt to reveal that, while some are incompatible, others are complementary. And the more specific and actionable the formulation is, the less likely it is to provide good advice under all circumstances. Realizing that one formulation may not suit all situations, a few proponents of the MC have suggested identifying the bounds of specific renditions. They have also suggested developing contingency and other mid-range theories that specify the circumstances under which various tenets of the MC appear sound (e.g., Day 1992; Kohli and Jaworski 1990; Samli, Palda, and Barker 1987). Regrettably, their advice has found few takers. Yet, from such work, it may become evident, for example, why the MC is less

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**TABLE 1**

**SOME PROSPECTIVE STATES OF THE MARKETER'S WORLD**

*State I*: Customers search diligently for offerings that best satisfy their wants. Although customer preferences are poorly understood by manufacturers and sellers, requisite technologies are available or within easy reach. Thus, marketing research is the key to success. This state is most congruent with the traditional marketing concept, but may characterize few actual product markets. The profusion of electronic gadgets and computer programs bursting with features that typical users find useless and frustrating, suggests today's market for many "high-tech" consumer products may be in this state (Cahill and Warshawsky 1993).

*State II*: Customer preferences are widely known, many existing products are highly satisfactory, and profitable discontinuous innovations are unlikely. Thus, marketing dollars are better invested in promotional efforts and in understanding customer psychology than in product development. This is how producers of typical low-involvement consumer goods should see their world, according to Trout and Ries (1979).

*State III*: Basic customer wants and preferences are well-understood; however, few, if any, truly satisfactory products have been produced. Hence, product differentiation opportunities exist, but depend on technological advances. R&D is apt to pay off. Such conditions characterize early markets for many technologically advanced innovations. For instance, they once characterized the market for VCRs and personal computers.

*State IV*: Superior end-products are fruits of superior core competencies and core products, which must be developed long before the market potential and the exact nature of derivative end-products are known (Prahalad and Hamel 1990). Basic R&D may be vital. Personal computers, laser printers, and high-definition television are among the many end-products traceable to core competencies and core products that were developed before returns on sums invested were estimable.

*State V*: Markets are growing slowly. Therefore, firms should view customers as prizes to be won and secured by exploiting competitors' weaknesses and minimizing their own vulnerabilities (Oxenfeldt and Moor 1978). MCI, for example, has identified impersonal service as one of AT&T's weaknesses and, therefore, advertises that customer calls to MCI are answered by a person, not by an automated answering system.

*State VI*: People have exploitable insecurities and subconscious "needs," which are discoverable via psychological research. This state characterizes markets for many personal care, fashion, and luxury goods.
TABLE 1 (continued)
SOME PROSPECTIVE STATES OF THE MARKETER’S WORLD

State VII: Customers favor readily available products that are relatively inexpensive, as long as they perform adequately. Accordingly, the key to success is production and distribution efficiency. Henry Ford mistakenly envisioned such a world when he quipped that customers could have their Model Ts in any color, as long as it's black. The management of Shasta soft drinks may also subscribe to this perspective.

State VIII: Customers prefer products that offer the highest quality, the best performance, and the most advanced features. Therefore, success hinges on developing technologically superior goods. The high-end segment of the personal computer market may exemplify this state. However, popular textbook expositions of the so-called product concept assert that too many firms act as if this were the true state when, in reality, it is not (e.g., Kotler 1994, pp. 16-17).

State IX: Some products, particularly works of art, are created much more for the sake of satisfying the producer than a prospective customer. Marketing precepts do not apply (Semenik 1987).

Applicable in fast-moving "high-tech" industries, as Workman’s (1993) research implies, than in the mature lumber businesses Narver and Slater (1990) investigated. Were contingency theories developed, then common threads among them might eventually be woven into the kind of general theory or universal "Golden Rule" that has eluded marketers for more than half a century.

Marketing Doctrine and the Frontiers of Strategic Thinking

Whether the marketing literature is the most current source of practical strategic insight is doubtful. Since delineating such strategically useful notions as segmentation, positioning, and the product life cycle, the marketing discipline has imported many more seminal ideas from related fields than it has exported (Day 1992). Specifically, references to the MC and citations of current scholarly marketing articles are confined almost entirely to works produced by marketers. In contrast, the ideas of industrial economists, such as Michael Porter (1980, 1985), are prominently reflected in countless marketing texts; the political economy perspective now dominates inquiries into marketing channels (e.g., Stern and Reve 1980; Arndt 1983; Hutt, Mokwa, and Shapiro 1986); and resource-based theory (e.g., Wernerfelt 1984; Prahalad and Hamel 1990; Barney 1991; Peteraf 1993) has provided conceptual bases for several stimulating marketing articles (e.g., Day and Wensley 1988; Bharadwaj, Varadarajan, and Fahy 1993; Hunt and Morgan 1995).

Rather than extol marketing's traditional doctrine of "Find needs, then fill them," resource-based theory centers on inputs and systems that enable firms to generate customer-satisfying outputs. It also points out why firms often fail to profit from creating customer value. Moreover, it justifies technology-push strategies, which are reminiscent of the very production concept marketers spurned. Yet, executives who envision the world from a resource-based vantage point and implement technology-push strategies have not forgotten the importance of satisfying customers or of outmaneuvering competitors. They have merely discovered that, in some instances, technology should lead rather than follow the market. Or perhaps, they have learned that technology and other resources underlie competitive advantage and a firm's ability to respond to emerging opportunities and threats (Workman 1993). Unfortunately, the marketing discipline's traditional emphasis on identifying customer needs and wants frequently slight the difficult task of putting systems in place so that offerings matched to customer desires can be brought to market quickly.

Subscribers to resource-based theory also recognize it is often imperative to act on the basis of murky visions of future worlds and common knowledge about customer preferences. Even Theodore Levitt (1960), who remains among the MC's staunchest proponents, alluded to the efficacy of resource-based theory and technology-push strategies. In his classic article "Marketing Myopia," he championed the MC and advised executives to focus on enduring customer needs in lieu of ephemeral technologies. He pointed out that railroad executives, for example, should have viewed their firms as being in the transportation business rather than in railroading. One implication of Levitt's thesis is this: It does not take a marketing genius or extensive marketing research to fathom that the need to move people and goods long distances gives rise to the transportation business. Equally transparent are customers' basic performance criteria: the
cheaper, the faster, the more reliable, the safer, and the more convenient the mode of transportation, the better!

Regarding transportation, basic customer needs and wants are well-known; and the real challenge lies in developing superior need-fulfilling technologies and systems. Much the same is true of other enduring needs and businesses. That is, fundamental needs are readily identified, as are basic performance criteria. Therefore, the difficult part is developing or acquiring requisite core competencies and other strategic resources. Even the needs now filled by micro computers and attendant basic performance criteria, such as cost, speed, convenience, and reliability, were obvious long before anyone set out to build a micro computer.

Though some of the MC’s promoters have managed to fit tenets of resource-based theory and other alien concepts under the MC’s umbrella (e.g., Webster 1994), it is hardly surprising that, in view of their traditional market-pull and anti-production mindsets, mainstream marketing scholars were not the first to see the resource-based dimension of market strategy. TQM, employee empowerment, and reliance on cross-functional teams are among the practices marketers currently praise, but did not invent, arguably, because zealous renditions of the MC clouded their view (Kotler 1994; Webster 1994).

Conclusions

The perfect formulation of the MC has not yet surfaced. Consequently, "new and improved" variants are bound to emerge for some time. But the marketing discipline’s dearth of contributions to strategic thinking in recent years suggests its commitment to the MC has been unproductive and may have impaired, rather than improved, strategic vision for a long time. Other business disciplines have not yet advanced infallible strategic guidelines either. However, several such fields have made much greater contributions than marketing to strategic thinking during the ‘80s and ‘90s.

IMPLICATIONS FOR ACADEMICIANS AND EXECUTIVES

Manifold questions about the MC’s impact and limitations have been raised in this article. Still, the following observations suggest business may not yet be customer-oriented enough:

• In the ‘70s and ‘80s, long after the MC’s inception, corporate America became infatuated with financially driven planning processes that may have produced results far worse than those attributed to naive interpretations of the MC (Porter 1987; Webster 1994).

• Conglomerate mergers and takeovers based entirely on financial criteria are still popular. Unfortunately, such criteria overlook linkages between "the bottom line" and a company's ability to create customer value. No wonder conglomerates are unspectacular performers on average (O'Connell 1985; Datta, Rajagopalan, and Rasheed 1991).

• Too many businesses merely pay lip-service to customer satisfaction. Contrary to their mission statements and propaganda, they ignore and irritate customers. Mounting evidence suggests it pays to pamper one's clientele (Anderson, Fornell, and Lehmann 1994; Webster 1994).

• Many products are not as user-friendly or as reliable as they should be, though it would take more caring than cost to enhance their performance (Naumann and Shannon 1992; Cahill and Warshawsky 1993).

• Several prominent companies that once exemplified sound marketing, such as Sears, General Motors, and IBM, lost touch with their customers and have paid a hefty price for their negligence (Webster 1994, p. 289).

Although the wisdom of adopting a customer orientation seems clear, the MC may have become an impediment to the advancement of managerial marketing knowledge and practice. Evidence to that effect includes the marketing discipline’s dearth of contributions to strategic thinking since marketing scholars began belaboring the MC. Moreover, the very term "marketing concept" still brings threatening dogma to many minds – dogma that much of the marketing mainstream continues to relish and non-marketing academics and corporate constituencies reject (Kohli and Jaworski 1990). To be more precise, many people still associate the MC with customer-obsessive doctrine that promotes simplistic unbalanced views of the business world. They see it as diverting attention from various critical issues, as casting marketers in the roles of messiahs whose right to corporate leadership is self-evident (though only to marketers), and as belittling the roles of R&D, production, finance, and other functions.

What should be done? A few suggestions for marketing academicians and executives follow.

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Implications for Academicians

Marketing scholars may be wise to abandon quests for all-encompassing strategic aphorisms, which are often vague and prone to conflicting interpretations. Instead, they might turn toward developing and testing actionable mid-range theories whose domains of application are limited to clearly specified circumstances (Sarni, Palda, and Barker 1987; Day 1992). Eventually, commonalities among such theories may suggest a pithy universal maxim worthy of being called the MC. But if such a maxim does not surface, then so be it.

That some useful strategic schemata may not focus predominantly on customers is a possibility more marketing academics should consider very seriously. A few scholars have already infused resource-based theory into their articles (e.g., Day and Wensley 1988; Bharadwaj, Varadarajan, and Fuh 1993; Day 1994; Hunt and Morgan 1995), but additional eclectic work is needed. Much as innovative firms have realized gains from cross-functional teamwork, academic enterprise in marketing may benefit from interdisciplinary thinking and scholarship. However, progress in that direction is unlikely as long as marketers maintain customer-obsessive perspectives and strive blindly to impose their precepts on the rest of business academia.

Implications for Executives

Customer-obsessive doctrine affords a severely restricted view of strategic issues and alternatives. Therefore, executives should be skeptical of dogmatic marketing prescriptions for corporate, business, and functional strategy. Nevertheless, the following customer-oriented axioms seem boundless and unassailable:

- No firm can survive very long in a competitive market without satisfied patrons.
- Promoting a strong sense of customer awareness throughout any organization promises substantial rewards and frequently is a key to survival.
- Satisfying or, better yet, delighting customers should never be viewed as the sole responsibility of the marketing department.
- "The customer comes first, always!" is the very creed many sales, delivery, and other employees should embrace because delighting customers is practically all their employers expect of them. They need not worry about outmaneuvering competitors, maintaining competitive advantages, advancing the frontiers of technology, or pleasing stockholders.
- Obstructive tactics, which hinder competitors' progress, cannot replace constructive strategies, which require offering customers more for their money (Dickson 1992).

Beyond remembering these axioms, marketing and other executives should acquaint themselves with diverse depictions of the business world and their strategic implications. After all, according to an old adage, nothing is more practical than a good theory.

Resource-based theory, for instance, paints a picture that, at first glance, appears incongruent with the traditional marketing perspective. In actuality, however, it provides insights that augment marketing's customer-centered world view (Day and Wensley 1988; Day 1994; Hunt and Morgan 1995). Other works well worth pondering include Porter's two classics, *Competitive Strategy* (1980) and *Competitive Advantage* (1985). The first book merely alludes to customer needs and wants. It centers on industry analysis and introduces the well-known competitive-forces and generic-strategies frameworks. In a recent article, Porter (1991) drew parallels between his competitive-forces model and resource-based theory. The second book introduces the value chain model. Many marketers are familiar only with the customer-oriented facets of the value chain; however, the latter chapters of *Competitive Advantage* provide a complementary competitor-oriented perspective. Rappaport's (1986) finance-oriented *Creating Shareholder Value* depicts the business world from yet another position.

The better acquainted executives are with customer-oriented, competitor-oriented, finance-oriented, resource-based, and other points of view, the less likely they are to suffer from tunnel vision. However, they must evaluate the strategic implications of each perspective very carefully in relation to company and industry circumstances. Syntheses of such evaluations are likely to imply that one or a combination of the scenarios delineated in Table 1 provides the skeleton for a fitting market characterization. That scenario or combination of scenarios and its strategic implications should be fleshed out. Moreover, its accuracy and usefulness should be reassessed periodically and modified as necessary. Depending on firm and industry particulars, these modeling exercises may reaffirm or refute conventional marketing wisdom.
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