

A Tale of Two Disciplines: Managing Marketing People

Executive Summary

An effective marketing department requires a strategic mindset, familiarity with measurement techniques and an understanding of how marketing can contribute to bottom line growth. It needs these qualities in addition to a creative attitude that can inspire effective communications, foster innovation, and connect emotionally as well as intellectually with the customer.

But marketing is often perceived as a creative industry – not one in which there are significant elements of number-crunching, analytical and technical skill. As a consequence, marketing often recruits imaginative people who are then ill-equipped and ill-prepared to engage with the scientific side of the job.

This is not to deny that marketing requires creative input. And not everyone sees the profession as purely creative. But there is a perception that this is the case and it is this perception that is causing problems. Marketing is often seen as the soft end of business, widely regarded as one of the more dispensable elements of the company, and often not fully appreciated by other departments.

And, just as we need to act to change this perception, the level of scientific emphasis that is required of marketers is escalating rapidly. Marketers are working in an environment that is increasingly bound by regulations, is more technological and is more meticulously measured. As a result, marketers need to have the scientific skills to operate effectively in this more sophisticated environment, and this means that the nature of the job is becoming as scientific as it is creative.

How can we manage marketing people successfully when there is an increasing dichotomy between the artistic and scientific elements of marketing?

The answer lies in changing the way we train and manage marketers. As the balance between art and science becomes more even, the profession needs to widen the net from which it recruits. Key to this is to communicate the fact that marketing has a strong scientific component, thus encouraging more scientifically-minded people to become marketers. And for creative people, it is important to emphasise the significant scientific aspect of the job which they need to embrace, not shy away from.

The result will be a blend of art and science that leads to more effective, dynamic marketers – and a greater appreciation of the role of the department from the rest of the organisation and the outside world.

ONE **Art versus science**

Marketing is largely perceived as a creative industry. Figures published by Research International show that advertising and promotion are far and away seen as the primary functions of the marketing department by other employees and managers. [Source: Davison, L. (2004) *Marketing in the Spotlight: what people really think of marketing*. Research International 17th March. Available from : <http://www.research-int.com/library/library.asp?id=505> (Accessed on: 25th May 2005)]

But there is more to marketing than communications and advertising. It is partly a science, and partly an art. There are few disciplines that require both a creative imagination as well as familiarity with statistics and number-crunching. As a consequence, the challenges of managing marketing people are somewhat different to those in other professions.

The danger of having predominantly creative people in roles that require a synthesis of creativity and rigour is that it leads to many of the problems facing marketing departments today: a perception that little meaningful measurement takes place. There is little understanding on the part of shareholders, and even some directors, of how marketing creates value and can influence bottom line profit. This can be compounded by the lack of motivation of an employee working in a job for which they are only partly suited. All this adds up to marketing not getting the credit, nor the results, it could. The end result is that marketing is perceived in some quarters as the non-rigorous, “fluffy” end of business.

The complexities of marketing as a profession are significantly greater than is often considered. A marketer now needs a broad grasp of technology, a degree of technical skill, awareness of how to use data (and how not to use it), an understanding of scientific principles, substantial management skills and, on top of all this, needs to be a creative, innovative thinker. Increasingly, marketing is formed by legal boundaries – but to be a good marketer you have to be imaginative, provocative and intuitive.

As things stand, marketing as a profession is occupied by a disparate collection of individuals ranging from free-wheeling imaginists at one extreme, to psychologists or mathematicians who have ended up in marketing by chance at the other. Along the way are academics who have another agenda – to make marketing more academically respectable.

In the future, a more scientific approach to marketing must be developed and implemented. We either need to recruit more scientists, or accept that marketing training with a more scientific slant needs to be given. ‘The science argument should be central,’ says Juanita Cockton, Managing Director of The Marketing Studio. ‘If marketers are

serious about bringing a strategic and customer focused approach to business (whether profit making or not) they cannot expect to be taken seriously if they cannot read and interpret Profit and Loss accounts and balance sheets.’ This is not to say that marketers are expected to do the accountant’s job. ‘But they must be able to understand the financial implications for the organisation of the decisions they make.’ [Source: Correspondence with Insights, April 2005].

		137,000	13,5
		140,000	13,5
		89,678	13,5
		117,451	13,5
		74,637	13,5
		70,400	13,5
		84,015	13,5
		104,891	13,5
		61,777	13,5

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TWO Learning by doing

Professor Malcolm McDonald agrees that the problem ‘is the assumption that marketing is essentially a promotional/creative role rather than a strategy-making role, which is what is wrong with the whole discipline.’ [Source: Correspondence with Insights, April 2005]. Strategic planning does not rely on creative talents as much as on knowledge of the existing marketplace and on the ability to see gaps and opportunities in that existing marketplace that the company can market to. And for Professor McDonald, ‘having the skills to be a cross-functional communicator are meaningless unless the marketing chief has the skills to enable them to develop credible and deliverable strategies.’

In other words, being creative is all well and good – and of course we need creatives at the promotional end of marketing – but if marketing is ever to become the value driver that it could be, the discipline as a whole needs to become more scientific. For McDonald, the problem is essentially that we confuse practice with professionalism. Anyone can practice marketing, but to be a professional one has to train and qualify – as one would have to do in accountancy, dentistry or any other profession. If marketers continue to concentrate on idealistic but unmeasurable goals such as ‘creating consumer demand’ and ‘understanding the customer’ without having a real understanding of Shareholder Value Added (SVA), we will never progress as a profession.

Marketing tends to attract imaginative, creative people because it is seen as a creative, advertising and promotion-led industry. As Laurie Wood points out, ‘Creative types are attracted to marketing because until they come to study it, the prevalent view is that marketing is largely a creative discipline (i.e. limited to advertising and promotion).’ [Source: Correspondence with Insights, April 2005]. These creative people then sometimes find themselves in jobs for which they are not cut out.

It should be emphasised that this is not, and never has been, entirely the case. Laurie Wood adds that whether or not marketing people are creative depends on the marketing function they fill. Market research, for example, has always relied on a mix of science and creativity. Penny Mesure, Head of Research at i to i research, believes that market researchers need to enjoy both disciplines, ideally from the outset. ‘When recruiting market researchers I have often found it helpful to ask prospective candidates, “Did you have difficulty in choosing between Arts and Sciences at A Level?” Very many subsequent high flyers have answered “yes”.’ [Source: Correspondence with Insights, May 2005].

As DVL Smith and JH Fletcher point out, ‘Market and consumer research is needed by businesses to reduce the uncertainty involved in making business decisions... the best framework we have for organising this enterprise is that of science.’ [Source: Smith, D. and Fletcher, J. (2004) *The Art and Science of interpreting market research evidence*. Chichester, Wiley, p16]

Smith and Fletcher call market research ‘a scientific approach’ rather than ‘a science’ to avoid ‘misleading audiences into thinking they are going to be served up with findings of unquestionable certainty.’ [Source: *ibid*] Marketing as a whole can shift into new territory by adopting ‘a scientific approach’. With such a mindset, marketers can show they are willing to use accurate and methodological tools – reducing accusations of inexactness – without suggesting that the answers can be found by following mathematical formulae.

THREE**The marketers of the future**

In *The Economist's* 2004 summit paper, marketing languishes at the very bottom of the managerial pile in terms of reputation. [Source: Davison, L. (2004) *Marketing in the Spotlight: what people really think of marketing*. Research International 17 March. Available from : <http://www.research-int.com/library/library.asp?id=505> (Accessed on 25 May 2005)]

We have known about the reputation crisis facing marketing for some time now. A study of 'how others perceive marketing' carried out by Dr. Susan Baker of Cranfield School of Management produced, in the words of Robert Shaw and David Merrick who used the study, 'an unflattering caricature of marketing, which unfortunately is widely acknowledged by both marketers and their colleagues in other functions.' Shaw and Merrick continue, 'What is particularly apparent is marketing's perceived lack of accountability, characterised by the words "unaccountable, untouchable, expensive and slippery".' [Source: Shaw, R., and Merrick, D. (2005) *Marketing Payback: is your marketing profitable?* Harlow, FT Prentice Hall, p13]

The problem is that marketing needs to be about profitable customer-led demand. If you can't strategically plan, analyse and measure, you can conduct as much creative free-thinking and advertising as you wish, but you will never be able to create sustainable growth.

To redress this reputation crisis, we need a more scientific mind-set that can blend with the more creative aspects of marketing. 'If I were a chief executive and asked my marketing director what shareholders had received from the millions of pounds invested in marketing and was told that we had achieved a change of attitude or an increase in awareness,'

Professor Malcolm McDonald points out, 'they would be instantly sacked!' [Source: Correspondence with Insights, April 2005]

Marketing must move away from being perceived, taught and recruited as a predominantly creative discipline, towards one which embraces elements of both creative and scientific approaches. Malcolm McDonald adds, 'The failure of the marketing community to get to grips with shareholder value added – which means taking account of the time value of money, the cost of capital and the risks inherent in their strategies – is the real reason so few companies have a marketer on the board' [Source: Correspondence with Insights, April 2005]

Laurie Wood takes up the story. 'There is undoubtedly little point in inspirational marketing, if there is no fundamental grounding; little point in a great marketing strategy if there is no bottom-line benefit; and little point in developing strategies that work if no-one knows why it worked. A focused and well-targeted evidence-based strategy complete with reflection and synthesis will inevitably create greater value-added over the medium to long-term than continually reinventing wheels within a marketing department that does not learn from its actions.' [Source: Correspondence with Insights, April 2005]

Cranfield's process of 'marketing due diligence' is an attempt to address this problem. The tangible assets of a company's value are measured by a process called due diligence, which evaluates risk. Why shouldn't the intangible assets, which according to Cranfield can make up to 80% of a typical company's value, be treated in the same way? Marketing due diligence attempts to measure the intangibles by assessing marketing initiatives against a sound scientific background. [Sources: Smith, B., McDonald, M., and Ward, K. (2003) *Marketing due diligence*. Marketing Business, October, pp.18-20. McDonald, M. (2001) *Marketing due diligence – make marketing accountable or it will die*. Cranfield School of Management]

A greater understanding of how financial results can be linked to specific marketing activities could help to redress the imbalance. 'Marketing due diligence' is the first real attempt that has been made to tackle this.

If marketers can become more aware of metrics, and develop an understanding of how marketing can be made more accountable, there is a chance that we can raise the dignity of the profession to a level where the lack of marketers in the boardroom can be addressed. Widely acknowledged as a problem for marketers, the reason is perhaps not that the marketing function is undervalued, but that marketers need to widen their general business knowledge in order to hold their own amongst board members who have emerged from other departments.

'Marketers don't develop financial acumen early enough in their careers,' according to a director of an executive search firm. 'Candidates aren't numerate and lack commercial perspective' according to a marketing partner at PriceWaterhouseCoopers. [Source: Exley, L. and Young, L. both cited in Shaw, R. and Merrick, D. (2005) *Marketing Payback: is your marketing profitable?* Harlow, FT Prentice, p13] Clearly, a new way of teaching marketing from the beginning is required.

FOUR Perception Shift

Why does marketing have so many creatives rather than scientific types? The problem is that marketers are action oriented, thinks Laurie Wood. 'Their preferred learning styles are similarly activity-based (learning by doing). Stopping to reflect, analyse and synthesise does not come easily to these types. If the learning model does not enforce the reflective element, then a short-cut loop is created based on continuous action and little or no learning.'

In which case, the learning model needs to change. And from that point, we need to emphasise the scientific elements during the recruitment process. This will achieve the double aim of attracting more scientific people (who might be put off marketing because they perceive marketing as creative) and emphasise to the creative people that they will need to embrace the scientific nature of the profession – not avoid it, as is often the case at the moment.

- **A new training model – produce marketers who are capable of analysing figures, are familiar with SVA and metrics, and who are comfortable with talking in terms of return on investment (ROI).**
- **A new recruitment model – the marketing department should have a blend of scientific and creative people, who communicate with each other rather than distrust the other's discipline.**

There are many applications for the more rigorous line. Consider the way companies deal with data. Marketers are keen to get data – but with the exception of large corporates, they frequently don't know what to do with it. Our last Insights paper, *The Devil and the Deep Blue A, B or C* showed that loyalty schemes, and other sophisticated data capture technologies, store masses of information about customers – what they buy, what time of day they buy it, how frequently they return, how they respond to special offers or discounts – but so little of this data is then used to increase market share. This is because, with significant exceptions, those marketers handling the data don't have the technical skills to drill into the data and see what it means.

There are several ways to change the way marketing people are managed:

- **Recruitment - to select people who have analytical AND creative skills.**
- **Motivation – to stimulate more interaction between the creatively-minded members of the profession and the scientifically-minded ones, and to reduce the natural distance that makes each type wary of the other.**
- **Rewards and incentives.**

As Juanita Cockton points out, ‘Too often it is assumed that if you are a marketer you can do all marketing jobs and tasks. That has never been the case and as with most professions these days expertise requires deeper skills – not just broader ones.’ To manage marketing people means ‘recruiting and building teams with a combination of skills that will advance the organisation. Creativity needs to be supported with hard facts – and evidence of how the team will deliver the marketing promise.’ [Source: Correspondence with Insights, May 2005]

Marketing has the opportunity to drive business. The first step is to communicate marketing as a mixture of scientific and creative disciplines. The second step is to train existing marketers in the economic or accountancy skills where they are currently lacking, and to introduce an understanding of SVA and metrics. And the third step is to attract scientifically-minded people to counterbalance the creative marketing employees, and to recruit marketers who have the magic blend of scientific and creative abilities.

These elements combined can help put marketing in its rightful place, at the heart of business; and increase respect for the value of the profession as a whole.

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LOOKING AHEAD

What's next on the strategic agenda from CIM?

Starting in October, we move on to our Marketing and the Law Agenda, where we highlight the increasing encroachment of the Law onto marketing practice. Over the last five years there have been in excess of 500 pieces of legislation aimed at marketing. New codes of practice have been introduced (with numerous sets of guidance notes to accompany them!).

Marketing is becoming an increasingly complex environment. We explore why this should be and examine the key issues this gives rise to. Ignorance of the Law is no defence to a breach of any law. Are marketers at risk of finding themselves in difficult terrain? Is the future of marketing one that sees ever more restrictive practices imposed by legislators? Will marketing as we knew it 10 years ago cease to exist? This is a vital concern to all those who consider themselves marketing professionals...

April 2006 sees the launch of our Technology and Marketing Agenda. Technology is now one of the key drivers of marketing practice. Many of the everyday practices we take for granted today were undreamt of even 15 years ago and the impact of technology is being felt ever more keenly. That's why laws have been enacted to protect our privacy as individuals, to stop unwanted communications reaching us and to limit the ways in which information about us can be held.

But the more exotic technologies that are still on the development bench may take us into a whole new world...a world that is a veritable minefield of ethical dilemmas and moral issues. We examine where technology may lead marketing and what we as marketing professionals need to know about the changing technological landscape.

We would welcome your own experiences, anecdotes and views ahead of publication of these Agenda Papers. Help us Shape the Agenda at www.shapetheagenda.com