

# Conversations with Marketing Masters

Laura Mazur and Louella Miles



John Wiley & Sons, Ltd



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To Maz and Mike





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## About the Authors

Laura Mazur is a business writer and partner in Writers 4 Management, a professional writing firm. She has been a business journalist since 1978 and was editor of the UK's *Marketing* magazine from 1986 to 1989. She has written for a range of publications, including a weekly column for *Marketing* magazine for five years, and is also the author of management guides on international marketing and communications published by the Economist Intelligence Unit and Financial Times Reports.

Since they formed Writers 4 Management in 2004, she and her business partner, Louella Miles, have worked with a range of organizations and individuals, including writing white papers, running writing training courses, and acting as ghost writers/editors on a number of books. An economics graduate of Smith College in the USA, she also has an MA from the University of London in Soviet Studies.

Louella Miles is a business writer, and Laura's partner in Writers 4 Management. She started in consumer journalism in 1976, with the Consumers' Association, before moving over to business writing in 1980. She was managing editor of *Marketing* magazine through the mid to late 1980s. Her portfolio includes management reports on topics as diverse as corporate reputation and sponsorship, published by *Management Today* and *International Marketing Reports* respectively. She has also, for the past seven years, edited a weekly media newsletter, and produces a range of titles on qualitative research.



# Introduction





Marketing – this fascinating and sometimes infuriating discipline – has been the focus of much of our working life as business journalists and writers. We have charted its course from the excesses of the 1980s, when budgets were seemingly limitless, to the belt tightening of the 1990s, and now into the age of accountability. We have seen organizations place it at the very heart of strategy, or relegate it to producing brochures.

Yet, however it's been defined or perceived over the years, marketing as a subject has never been less than absorbing. It has been our experience that those people who gravitate towards it, whether as practitioners, consultants and/or educationalists, are interested in people and interesting *as* people.

That's why, over the past few years, we had begun to wonder about how and why the biggest names in the field decided to devote their lives to its study and practice rather than another, perhaps less controversial, subject. So we set about compiling a list of people who have become so closely intertwined with marketing in general or a particular aspect of it. What, we wondered, makes them tick? How did they get to where they are? And what are their current views of marketing's health?

Those we chose are obvious. The list is, of course, by no means definitive. A few more could have been included. Sadly, in the case of Theodore Levitt, death intervened. Then there were those who, for one reason or another, were unable to take part. Never mind, because we are thrilled with the people we have included and found interviewing them stimulating and compelling. We have structured them as free-flowing conversations because we want to let their personalities shine through, without our getting in the way.

Even though our marketing masters are a diverse group of people, there are some common themes. There are worries about marketers and whether they have the ability to raise their game enough to make chief executives (CEOs) understand just how critical marketing is at a time when people power has moved from fiction to a fact of life. Other topics include the impact of technology on relationships, the power of buyers and the inexorable rise of the Chinese. All these indicate that there is never a dull moment when it comes to marketing.

A word about organization. We thought long and hard about the order because we didn't want to make any judgements about ranking. Then the answer seemed straightforward. As the founding father of marketing, and the one whom others often mention, we would put Philip Kotler first as *primus inter pares*. The rest are alphabetical.

The conversations are in three parts. First, we asked them questions about the professional journey they have taken. Then we delved into their current views of marketing. Finally, we got a bit more personal to find out what makes them tick.

An important point to make is that, while their names are all closely linked with the particular area they have pioneered, none of them has stood still. All are continually engaging with new ideas and new concepts to keep marketing relevant and pertinent.

Finally, the list of publications is necessarily selective. We have organized them from the newest to oldest, although in many cases the books have been reprinted many times over the years.

We feel privileged to have spent time with our marketing masters. We hope you enjoy getting to know them too.

1



**Philip Kotler**

**The founding father**





*Philip Kotler is the S.C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg School of Management, Northwestern University, Evanston, Illinois. He received his master's degree at the University of Chicago and his PhD Degree at Massachusetts Institute of Technology (MIT), both in economics. He did postdoctoral work in mathematics at Harvard University and in behavioural science at the University of Chicago.*

*Kotler is the author of Marketing Management: Analysis, Planning, Implementation and Control, the most widely used marketing book in graduate business schools worldwide; Principles of Marketing; Marketing Models; Strategic Marketing for Nonprofit Organizations; The New Competition; High Visibility; Social Marketing; Marketing Places; Marketing for Congregations; Marketing for Hospitality and Tourism; The Marketing of Nations; Kotler on Marketing; Building Global Biobrand; Attracting Investors; Ten Deadly Marketing Sins; Marketing Moves; Corporate Social Responsibility; Lateral Marketing and Marketing Insights from A to Z. He has published over 100 articles in leading journals, several of which have received best-article awards.*

*He was the first recipient of the American Marketing Association's (AMA) 'Distinguished Marketing Educator Award' (1985). The European Association of Marketing Consultants and Sales Trainers awarded Kotler its prize for 'Marketing Excellence'.*

*He was chosen as the 'Leader in Marketing Thought' by the Academic Members of the AMA in a 1975 survey. He also received the 1978 'Paul Converse Award' of the AMA, honouring his original contribution to marketing. In 1989, he received the Annual Charles Coolidge Parlin Marketing Research Award. In 1995, the Sales and Marketing Executives International (SMEI) named him 'Marketer of the Year'.*

*He has consulted for such companies as IBM, General Electric, AT&T, Honeywell, Bank of America, Merck and others in the areas of marketing strategy and planning, marketing organization and international marketing.*

*He has been Chairman of the College of Marketing of the Institute of Management Sciences, a director of the American Marketing Association, a trustee of the Marketing Science Institute, a director of the MAC Group, a former member of the Yankelovich Advisory Board, and a member of the Copernicus Advisory Board. He has been a trustee of the Board of Governors of the School of the Art Institute of Chicago and a member of the Advisory Board of the Drucker Foundation. He has received honorary doctoral degrees from Stockholm University,*

*University of Zurich, Athens University of Economics and Business, DePaul University, the Cracow School of Business and Economics, Groupe H.E.C. in Paris, the University of Economics and Business Administration in Vienna, Budapest University of Economic Science and Public Administration, and the Catholic University of Santo Domingo.*

*He has travelled extensively throughout Europe, Asia and South America, advising and lecturing to many companies about how to apply sound economic and marketing science principles to increase their competitiveness. He has also advised governments on how to develop stronger public agencies to further the development of the nation's economic well-being.*

## The professional journey

**What, in your view, are you most famous for? This might seem an almost impossible question considering your career, but are there a few particular areas you feel are inextricably linked with your name?**

My name is closely linked with the discipline of marketing. When I first examined marketing textbooks in the 1960s, I was appalled by their descriptiveness and lack of theory. They contained lists of the traits of good salespeople, the role of warehouses, a description of consumer demographics, and other definitions and lists. This was market anatomy but not market physiology.

I wanted to offer a different view of marketing and wrote my first book, *Marketing Management*, in 1967. It differed from previous books by applying economic, behavioural, organizational and mathematical theory to show how markets work and how marketing mix tools work.

Subsequently I introduced new concepts such as demarketing, social marketing, societal marketing and megamarketing. I also broadened marketing to include the marketing of persons, places, ideas, causes and organizations.

**What was your thinking behind your first book?**

I think part of the breakthrough was that I hadn't worked enough in marketing to develop a conventional mindset about marketing. I wanted to understand it better and, coming to the subject with a training in econom-

ics, organizational theory and social sciences, I felt that the books at the time were devoid of any scientific basis, or of any effort to focus on decision-making and marketing strategy.

I had already done a lot of work on game theory and decision trees and Markov processes and none of that was there. Yet I knew that marketing was really a set of decisions that would affect demand and revenue. And so, in writing *Marketing Management: Analysis, Planning and Control*, I would put marketing on a more systematic and scientific foundation. I was surprised and very pleased with the success of the book.

### **What else was around at the time?**

Jerry McCarthy's book was the most popular one at the time. It was called *Basic Marketing*. Jerry had introduced a '4Ps' framework. He'd studied with Professor Richard Clewett at Kellogg, who talked about product, price, promotion and distribution. Jerry renamed distribution as place. Most other books talked a lot about distribution channels, sales force, price and advertising but Jerry offered a useful framework.

### **How did you start getting involved with marketing as a discipline?**

I am trained as an economist. I studied under Milton Friedman at the University of Chicago for my MBA and emerged as a free market thinker. Then I studied under Paul Samuelson and Robert Solow at MIT and went Keynesian. All three won Nobel Prizes in economic science. But I found their explanations too simplified in terms of marketplace real phenomena. I always wanted to understand how people spent their money and made their choices.

To say that consumers make product choices that would maximize their utility doesn't say much. To say that producers make product and production choices to maximize their profits doesn't say much. Economists focus very much on prices and much less on other strong influences on demand such as advertising and personal selling. Economists ignore the complicated distribution system through which many products pass and where prices are set at different stages as the product passes from the manufacturer to the distributor to the dealers. I have great respect for the effort of economists to theorize but they do this by oversimplifying the complex dynamics of the

actual marketplace and players. I believe that marketing is part of economics and enriches economic theory.

I became enamoured of several marketing questions, such as how many sales persons should a firm hire, what is the best way to compensate them, how to determine how much to spend on advertising, and other questions. When I was offered a position at Northwestern University in 1962 to teach marketing, I decided that this was the opportunity to address the questions that had been haunting me in economics.

My active involvement in marketing had actually started a year before joining Northwestern. I had been selected as one of 50 business school professors to spend a year at Harvard in a Ford Foundation program to study higher mathematics as they apply to making better business decisions. The 50 participants fell into some natural groupings: professors of accounting, of finance, of manufacturing, of marketing, etc. I fell in with the marketing group that included such people as Frank Bass, Edgar Pessemier, Jerry McCarthy and Robert Buzzell. The group worked on applying the mathematics they were learning to marketing decisions and I participated. The contrast between this quantitative approach and the normal textbooks in marketing was extreme.

This was a period of gestation for me. One of the persons whom I worked with in this program, Donald Jacobs, was one of the 50 and when he went back to his university, Northwestern, he told his colleagues that he had spotted me in the group and that they should recruit me. They interviewed me and hired me. I was given a choice to teach either managerial economics or marketing at Northwestern in 1962.

Don advised me to teach marketing on the grounds that managerial economics was a well-settled field but marketing was in a bad state and provided a lot of room for new theory. He had the feeling that with my theoretical cast of mind I could make a fresh contribution to marketing. So this was the triggering event. Don went on to become the visionary dean of Kellogg and his 25-year tenure led us to become one of the leading business schools in the nation.

### **What had you been doing before joining Northwestern?**

I was teaching managerial economics, not marketing, at Roosevelt University in Chicago. I had wanted to stay in Chicago because of family.



Roosevelt University, which was started in 1946 after the war, was named after Franklin D. Roosevelt. It was a very interesting and seminal place because a lot of the faculty were eminent scholars who had fled Europe and needed a place to work. Roosevelt University hired them. I was there for about four years and then the Northwestern opportunity came along and I decided to move there.

**Why do you think your ideas have caught on and become the basis of modern marketing?**

After publishing the first edition of *Marketing Management* in 1967, I received a great amount of positive feedback to the effect that I had put marketing on a more scientific and decision-making basis. This was amplified a few years later when I published *Marketing Decision Making: A Model Building Approach*. Shortly thereafter I published a series of articles in the *Journal of Marketing*, three of which were voted the best article of the year in their respective years.

This was followed by eight articles published in the *Harvard Business Review* over several years that increased my visibility among practitioners. I had also added consulting to major companies and alerted them to the need to segment, target and position better and to become customer-centric. I would guess that by 1975 my reputation was well established.

**And when did you begin to realize that you were becoming a name that was resonating all over the world?**

I didn't consciously use marketing to market my ideas. They spread without assistance. *Marketing Management* became the gold standard throughout the world. When I meet managers in China, India, Germany, Brazil and elsewhere, it seems that they all studied marketing with my book. Today *Marketing Management* is in its 12th edition and *Principles of Marketing* is in its 11th edition. I did a lot of speaking at academic, corporate and public events and published a lot of papers and this contributed to the interest in my ideas.

I was invited to seminars and debates and put forth my strong views about what marketing should be. If you call that marketing my views, then yes, of course I did. But it wasn't like I had a Kotler brand development plan in