Marketing professionals: a managerial perspective

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Abstract: *The marketing literature intensively has debated in the last decade the evolution of marketing, the shifting framework, the challenges it faces as well as the relationship to management. The technological development, the changing patterns in consumption, the economic crises, as well as the increased business constraints are some of the most important factors that are changing the way marketing is developed. In the new economic context, managers seem to be increasingly more dissatisfied with their marketers, considering them attached too much to qualitative results, on the expenses of financial outcomes. Considering these evolutions and discussions, the present paper investigates how the Romanian managers evaluate their marketers. In-depth interviews are conducted with managers from all sorts of companies, considering both their fields of involvement and their dimensions. The results largely confirm the studies around the world, as well as the concerns expressed by academics.*

Keywords: *marketing; marketers; managers on marketing; Romania.*

Introduction

There seem to be a wide-spread agreement amongst academics and practitioners that marketing professionals, including marketing managers in all types of corporations, have lost their influence on the long-term strategies of their organizations (Reibstein, Day & Wind, 2009; Seth & Sisodia, 2005; Verhoef & Leeflang, 2009; Webster & Lusch, 2013; Wirtz, Tuzovic & Kuppelwieser, 2014). Marketing seems to be at a crossroads (Gronroos, 2006; Gummesson, Kuusela & Narvanen, 2014; Klaus, Edvardsson & Maklan, 2014). Maybe this is the result of increased complexity and interdisciplinary of marketing. Marketers must master several domains: strategy, creativity, and analytics amongst others. They must have the ability to timely identify business opportunities and to

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accelerate performance. If they actually achieve these aims and their managers agree with this are other concerns.

How satisfied are managers with their marketers?

The Fournaise Marketing Group (2011) interviewed more than 1,200 large corporation and SMEs CEOs and decision-makers in North America, Europe, Asia and Australia. One of the striking findings was that 80% of CEOs admit they do not really trust and are not very impressed by the work done by Marketers – while in comparison, 90% of the same CEOs do trust and value the opinion and work of CFOs and CIOs.

The core source of the problem is that 80% of CEOs believe Marketers are too disconnected from the short-, medium- and long-term financial realities of companies. And that's because 78% of these CEOs think Marketers too often lose sight of what their real job is: to generate more customer demand for their products/services in a business-quantifiable and business-measurable way:

a) For B2C CEOs, more customer demand means more products off the shelves, more sell-in, more sell-out, more sales volume, more sales revenue.

Unfortunately, 69% of B2C CEOs believe B2C Marketers now live too much in their creative and social media bubble and focus too much on parameters such as "likes", "tweets", "feeds" or "followers" – the very parameters they can't really prove generate more (business-quantifiable) customer demand for their products/services, and the very parameters judged "interesting but not critical" by CEOs.

b) For B2B CEOs (and B2C CEOs in prospect-driven industries such as education and insurance), more customer demand means fuelling more qualified or sales-ready prospects to the sales pipeline – prospects that can then be converted faster into actual revenue by Sales Forces.

Unfortunately, 71% of these CEOs believe that while B2B Marketers are focused on the latest marketing technologies (such as marketing automation, lead management and CRM) supposedly to generate customer demand, they are still failing to deliver the level of incremental customer demand expected of them.

c) Among the opinions expressed by these top management representatives about the MBA talent being recruited by their organizations are that MBA's all tend to think alike, to approach problems the same way, to be risk averse, to obscure a problem with excessive number crunching and analysis, to want to move into general management too quickly, to be unwilling to stay in a position long enough to develop competence and learn the details of the business, and to have no interest in sales and sales management careers.

These CEOs feel Marketers are too distracted and sucked into the technological flurry (and jargon) related to system integration, funnels, processes and scores, and have forgotten that technology is only a support tool that does not create demand per se – only accurate strategies and campaigns pushing the right products, product benefits, content and customer value propositions do.

These CEOs also feel B2B and prospect-driven Marketers have been so desperate to prove their worth that they've started to (wrongly) focus on performance indicators that are actually not theirs, such as prospect conversions and revenue. These Marketers have lost sight that these are primarily Sales Force-related performance indicators, and that they should focus instead on the customer demand-related indicators directly linked to their job and for which they have 100% control.

To earn the CEOs trust, Marketers will need to transform themselves into ROI Marketers.

75% of CEOs think Marketers misunderstand (and misuse) the "real business" definition of the words "Results", "ROI" and "Performance" and therefore do not adequately speak the language of their top management: these CEOs fail to understand why Marketers cannot zoom in on a few critical key business performance indicators to precisely measure, quantify and report on the level of customer demand they are asked to deliver, instead of drowning everybody with data and analyses that are too remote from the P&L.

CEOs believe they trust CFOs and CIOs because they are 100% ROI focused – where every dollar spent must have a measurable, quantifiable and positive impact on the company's P&L and operations. To earn the CEOs' trust and prove that they can be solid business generators, 74% of CEOs want Marketers to become 100% ROI-focused: they call them "ROI Marketers".

In this context, CEOs have a clear vision of what they expect from ROI Marketers:

a) 82% of B2C CEOs would like B2C ROI Marketers to focus on tracking, reporting and very importantly boosting four Key Marketing Performance Indicators: Sell-in, Sell-out, Market Share and Marketing ROI (defined as the correlation between Marketing spending and the gross profit generated from it).

b) While 85% of B2B CEOs (and B2C CEOs in prospect-driven industries) would like prospect-driven ROI Marketers to focus on tracking, reporting and boosting four Key Marketing Performance Indicators: Prospect Volume, Prospect Quality Rate, Marketing Effectiveness Rate (defined as the percentage of Marketing spending that directly generated prospects) and (business potential generated by Marketing).

"People trust doctors, surgeons, lawyers, pilots or accountants: simply because they know these no-nonsense professionals are trained to focus on the right set of data to take the best decisions and achieve the best outcomes possible. CEOs trust CFOs and CIOs for the same reasons. It's not a game of data, but rather a game of the "right & relevant" data for the right purpose and the right decision-making, with no fluff around" said Jerome Fontaine, CEO & Chief Tracker of Fournaise.

"Marketers will have to understand that they need to start "cutting the rubbish" if they are to earn the trust of CEOs and if they want to have a bigger impact in the boardroom" he explained. "They will have to transform themselves into true business-driven ROI Marketers or forever remain in what 65% of CEOs told us they call Marketing la-la land. At the end of the day, Marketers have to stop whining about being misunderstood by CEOs, and have to start remembering that their job is to generate customer demand and to deliver performance. This is business. When is the last time you heard CFOs whine about being misunderstood by CEOs?" Fontaine concluded.

The four main accusations towards marketing managers are:
- They focus too much on tactical issues and use an out-of-date skill kit.
- They do not connect enough the marketing efforts to the financial returns.
- They are obsessed and over-rate new technologies.
- They use unsuitable indices to measure effects.

"CEOs want a lot out of their marketing managers – but the things they want may be different than what most marketing managers think," said email certification and security company Return Path CEO Matt Blumberg in an interview with CMO.com (2014). "CEOs expect their marketing managers to run a profit and loss (P&L) [not just a cost budget], set priorities and make trade-offs, orchestrate marketing sub disciplines, and be great business partners to the rest of the organization. CEOs want marketers who can move seamlessly between being proactive and setting strategy and being appropriately". *But then again this is the complexity of the marketing function.*

Marketing is positioned at the intersection of multiple corporate needs such as innovation, customer experience, sales, and operations. Rarely, however, do they own any of the processes associated with them.

The need for broader experience and a strong understanding of what drives a company's profit and loss (P&L) makes a direct transition from marketing manager to CEO a bridge too far for most individuals wanting to make the leap. In an investigation of what is required to move from marketing manager to CEO, consulting firm *Spencer Stuart* finds, "To become a CEO a marketing manager must always make a double transition, out of their function, and into a new company. The obstacles that marketing managers or directors facing with ambitions for the top job are considerable and are likely to be too great for those unwilling to step out of their comfort zone and test themselves in unfamiliar roles" (Birkel & Harper, 2009, p. 1).

Reflecting on the presented findings one might argue that it features multiple contradictory propositions and arguments from CEOs about why marketing is seen as non-strategic.

On the one hand, marketing managers are viewed as lacking financial accountability, and obsessed with technology rather than delivering revenues. On the other hand, CEOs confuse sales indicators with demand-related indicators.

Methodology

The main aim of the present investigation is to understand how managers see their marketing professionals. Not only managing directors were considered, but also marketing executives. Semi-structured in-depth interviews were conducted with top management representatives from 27 Romanian companies, both business-to-businesses and business-to-consumer corporations. All of them have more than 50 employees.

Results and discussion

The principal issues that were uppermost in the minds of the executives interviewed were related to lack of innovative and entrepreneurial thinking, inability to define new methods for promoting products to customers in the face of major increases in the costs of media advertising and personal selling; a tendency for product managers and higher levels of management in the product management organization, all of whom have similar education, training, and experience, to approach problems in the same way; attempting to meet significant new competition with traditional ways of doing business.

Generally, inter-departmental relationships are of concern when considering the effectiveness of marketing. ”In addition, we had to take in consideration the organizational arrangements made to facilitate two-way communication between marketing and other departments or business units”. Several of the respondents noted these connections and commented that these were a top management responsibility. One chief executive observed that the budget planning and review process encouraged marketing managers to stick to the proven path therefore truly innovative and distinctive marketing approaches have a low probability of surviving the hierarchical budget planning process.

Skills that marketers are expected to have included leadership, management, sales and intuition. Most senior managers asserted that the marketer’s background does not necessarily have to be in the same industry, unless the marketer cannot function in that industry without an extensive knowledge of its workings. However, based on the argument senior managers make that marketing skills are generally transferable, the marketer needs to demonstrate they have delivered commercial outcomes in previous employment, in whatever industry, to be considered credible.

There was virtual unanimity among these executives that marketing is the critical management function in their firms from a strategic viewpoint and that it is likely to become even more important in the current decade. In the most sophisticated marketing organizations, marketing is the line management function and the marketing concept is the dominant and pervasive management philosophy. In the rest of the companies in the sample, however, there appeared to be an incomplete acceptance of the marketing concept. In the most obvious situation, the respondent executive could point to an absence of any senior executive with clear responsibility for marketing within the organization. In these instances, there had been a history of strong production-, technical- (engineering or R&D), or sales-oriented thinking dominating the firm. Another symptom of the problem was an absence of any market segmentation strategy. There also were a few cases where the respondent executive felt that marketing weakness was due to a failure by top management to devote the necessary financial and managerial resources to the marketing task.

In the industrial products and services firms especially, and also in some of the consumer products firms, marketing and sales were organizationally distinct, with sales being seen as a line function and marketing as a staff responsibility, often associated with the corporate planning function. The marketing function in these circumstances was said to be responsible for long-range marketing planning and market development, whereas the sales function was responsible for current year sales volume and profit performance through the implementation of marketing plans through specific sales and promotion programs. Not all of these top managers would agree that the separation of marketing and sales within the organization is evidence of incomplete acceptance of the marketing concept.

One senior executive made the important observation that getting the marketing concept understood and accepted is still the biggest challenge faced by any organization, despite the fact that the concept is now more than a quarter-century old. In his extensive experience in the top ranks of both industrial and consumer products firms, he noted that marketing "tends to degenerate into a sales orientation and an exclusive concern for marketing communications." He felt that there was an inevitable tendency in industrial firms for large customers, because of their importance, to bring pressures on the firm that create a very short-term orientation and a concern for specific orders and problems. He also pointed to sheer numbers of sales personnel compared with marketing as another reason why sales tends to dominate marketing. While these particular observations are attributable to a single CEO, they capture a set of issues of concern to a significant portion of this sample.

Conclusion

These chief executives and top managers believe that marketing is the most important management function in their businesses, and they see it becoming more important in the future. Whether they come from a marketing background or not, they believe that the development and maintenance of an effective marketing organization is a major requirement for success in the economic environment of increased competition and ensure growth. Having said that, however, these executives are critical of their marketing managers for a failure to think creatively and innovatively and to understand the financial implications of their decisions. They see marketing costs increasing faster than the effectiveness of those expenditures.

Some Implications and Suggestions for Future Research

Although these concerns of top management are interesting for their own sake, and suggest some directions in which the marketing profession might look to find areas for improved management effectiveness, they also point to some underlying basic issues. These issues can be phrased as questions requiring further research and discussion.

How Does Management Performance Evaluation Impact on Marketing Performance?

There has been only minimal cooperation between organizational behavior and marketing scholars as revealed in the research literature, yet some of the most interesting and important issues of marketing decision-making may be those that relate to the human side of enterprise. Criticism of marketing for failure to innovate and take risks is an obvious area where behavioral issues are at the core, not technical issues of marketing science and decision-making. Part of the issue here is to explore relation-ships between various corporate financial goals and marketing performance as they are mediated through formal and informal performance appraisal systems. While recent months have seen some discussion of this issue in the management literature, it is an area that needs a great deal more management attention and academic research. Investigators need to look at relationships between measures of a firm's innovativeness, such as the rate of new product introductions, and how management in that firm is evaluated and rewarded. Marketing scholars need to become familiar with the work of scholars in organizational behavior on such topics as risk taking, organizational structure, and innovativeness, and integrate this into their own investigations of marketing performance and organizational effectiveness.

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