

MARKETING CONSTRUCTS: A CRITICAL ANALYSIS AND THEORY CONSTRUCTION

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ABSTRACT.

The purpose of this paper is to highlight a knowledge gap and conceptualise a knowledge domain in the marketing context. It is argued that marketing as a concept has become a diluted management practice. All the more, it has not become a theoretically respected function within organisations. In most of the cases it is related with only sales. It is found that marketing has several interpretations created by marketing authors. However, all these interpretations are not complementary to each other. Kotler's multiply marketing concept come close to modern marketing than other interpretation. But this concept falls short of methodological explanation. Therefore, a post modern construct is required that takes a relativist position. This concept may involve the whole organisation and direct towards customers.

Key Words: Marketing, change, post modern construct, customer satisfaction.

INTRODUCTION

From the evolution of marketing as a concept it is found that marketing as a social science may be regarded not so robust because of different interpretations of the concept at different times. In this section, a critical discussion on marketing constructs is done and a theory building process has been indicated.

Managers are frequently exposed to various marketing theories and theoretical concepts (Ottesen & Gronhaug, 2002). However, many concepts are never attended in practice. It is argued that much academic research within marketing is concerned with development and refinement of theoretical constructs. These theoretical constructs are formed on the basis of existing marketing concepts. These marketing concepts are the foundation of the theory of marketing management and they provide the philosophy for both the methodology and organisational structure of marketing (Kaldor, 1971).

There are evidences in literature that these marketing concepts are inadequate prescription for marketing strategy because they tend to ignore a vital input of marketing strategy that is the creative abilities of the firm. It is argued that most of the creative marketing practices are evolved around "sales" and "sales strategy". There is little evidence of marketing strategy being used as a long

term corporate activity in order to achieve organisational objective. The argument is that marketing concept is limiting itself to definitions like "the analysing, organising, planning and controlling of the firm's customer-impinging resources and activities with a view to satisfying the needs and wants of chosen customer groups at a profit" (Kotler, 1967). Critical view of this definition shows that this explanation is not complete in the sense that it does not provide any indication on how to do or implement this nature of marketing within an organisation. For example, if customer satisfaction is an important objective of marketing then the process could have been started at the production line where products are produced that are of demand by the customers. It is further argued that "customer-impinging resources" may mean all the available resources within an organisation. In other words, there can be no resource that can be defined as not "customer impinging resource". For example, finance and raw material can be defined as "customer impinging resources". Further, the human resource may also be categorised as "customer impinging resource". Therefore, the above explanation of marketing is not complete because it does not classify the components of "customer impinging resource".

Moreover, this explanation does not describe how to

implement this concept of marketing within the system of an organisation. It does not specify the means to achieve an ideal marketing construct for an organisation to practice. Therefore, the argument is that many of the definitions of marketing appear to be theoretically developed and not practically guided or not something that shows the way to do. As a result, marketing as a theory or as a robust concept falls short of becoming a reliable practicing method.

Market Orientation

In this context, the construct of market orientation, imbricative marketing and retro marketing are critically assessed to evaluate the relevance of these marketing constructs in the business context. This may also demonstrate a clear knowledge gap and requirement for a new marketing construct. The construct of market orientation has been selected because it is closely associated with the customer which is an essential component of marketing theory. The construct of imbricative marketing is chosen because it concentrates on organisational competency which is another important factor in developing marketing constructs. Discussion on retro marketing is relevant as it attempts to change the present thought process in marketing. These three marketing constructs address three different connotations of marketing. However they are not linked with each other.

It may be observed that marketing constructs also vary in terms of meaning, objective and structure. It is argued that these differences create the fundamental obstacle of understanding marketing at its entirety. Concept of market orientation addresses the concern for the market demands where as concept of imbricative marketing emphasises on the core competencies of organisations in order to be successful in marketing and retro marketing represents the end of marketing, that it is indicative of inertia, ossification and the waning of creativity (<http://www.sagepub.com/book.aspx?pid=7171>, 10/04/06). However, these concepts are not complementary to each other but stand out of their own. The argument is that various different concepts with little relation between them may complicate the issues

related to marketing to such an extent that these concepts are rarely practiced.

Concept of market orientation focuses on an element called "what the market wants" that responds to customer demands. The operational framework for imbricative marketing sets out four conditions like:

- Identification of organisation's configuration of skills.
- Identification of the objectives of the organisation.
- Identification of the leading part of the system in which the organisation operates; and
- Identification of market needs compatible to the organisation's need.

The concept of market orientation has a commonality with imbricative marketing concept in the sense that market orientation responds to customer needs and imbricative concept identifies the customer needs. On the other hand, retro marketing suggests a backward journey to the history book of marketing and argues, that as retro marketing practitioners are looking to the past for ideas, academics should also do the same for innovation (Brown, 2001). Comparing these three marketing constructs, it seems that all of them have an intention to enhance the effectiveness of marketing. However, none of them suggests how to do it. They appear to be more of theoretical constructs rather than a workable and doable formation because they set objectives but do not suggest how to realise them. They fall short of explaining how they address the core marketing issues like meeting long term organisational objectives.

Postmodernism

Another construct in marketing is called postmodernism. Similar to the above three constructs, some authors argue, postmodernism "is something that gets everywhere but no-one can quite explain what it is" (Fielding, 1992). However, it is possible to identify four broad strands within postmodernism. They are cultural, socio-economic, linguistic and scientific. Since marketing reflects developments in the social, economic and cultural spheres, it may be expected that the characteristic features of postmodernism are deeply inscribed in marketing environment. Therefore, it may be

argued that it is possible to imagine a matrix with the distinguishing features of postmodernism along one axis and the components of the marketing mix along the other (Brown, 1999). It is further argued that the distinguished features of postmodernism are discernible across every facet of marketing from pricing and promotions. It is interesting to note that the 4Ps concept is still relevant in the postmodernism construct as it describes the presence of postmodernism features in them.

The concept of postmodernism finds its logical foundation in the fragmentation of markets (Jencks, 1989 & Brown, 1993, 1999). For example, ten years ago there were seven brands of toothpaste on sale in the UK. Today there seems to be more than thirty brands, many of them providing a number of distinct product variations. Another example is the prevailing range of credit cards and payment systems. The argument is that with the fragmentation of markets into smaller and smaller segments with its complement of carefully positioned products, postmodernism features are gaining relevance. Features or elements like cultural, socio-economic, linguistic and scientific phenomena may play a significant role in shaping fragmented markets. These elements may further accelerate the growth of number of fragmented markets.

This may sound more logical than other marketing constructs because looking at cultural aspects or scientific progress is important because they can shape an already existing market differently. Therefore, care should be taken to understand them before working out a marketing strategy. This researcher, uses this construct to expand it further by redefining it by analysing different change drivers (forces that can change customer demand) and bring that knowledge into marketing planning.

However, it may be argued that the term postmodernism is ostensibly meaningless. Because if *modern* means current or up to date and *post* is that which lies beyond or comes after then how is it possible to be beyond the present or exceed the extent? Therefore, the concept of postmodernism is often regarded as an unnecessary distraction from the marketing scholarship. On the other

hand, it may not be possible to contradict that marketing and postmodernism are already tightly interwoven. (Smart, 1993 & Brown, 1999).

In this context, it may be mentioned that *hyper reality* practice in postmodernism is apparent across the entire spectrum of marketing (Brown, 1999). This practice may create a situation where market fragmentation becomes rapid and lead to a destruction of that market. For example, one may consider the infamous Hoover "free flight" promotion where flight tickets to American and European destinations were made available for the price of a £100 vacuum cleaner. That led to a bizarre situation where Hoover factory was working round the clock to meet demands of a fragmented market and news papers were flooded with small advertisements by people eager to dispose off their unused vacuum cleaners, carpet retailers giving away free carpets and travel agents were accepting vacuum cleaners as a deposit for summer holiday bookings. That *hyper-reality* campaign was ill fated as it led to the destruction of many fragmented markets in travel, airline and carpet retailing sectors. Therefore, *hyper-reality* is often considered as the most ubiquitous manifestation of postmodernism.

Postmodernism in marketing theory is not confined to representing the marketing concept or challenge the long established marketing constructs. It also raises the spectre of debate on realism versus relativism or critical relativism (Anderson, 1986). The argument is that reality is not objective and external to the observer but it is socially constructed and the knowledge about this world is relative to different times, contexts and research communities. On the other hand realism or logical empiricist accentuates that a single external world exists which is a social reality and can be empirically measured by objective methods. It can also be explained and predicted through the identification of law like generalisation. Hunt (1994) refuted relativism by terming it as irrationalism. However, postmodernism comes in many shapes and forms, it is essentially a relativist position. The concern of Hunt is that the adoption of relativism threatens the scientific and technological progress that characterises the modern world. It may be argued that

the project of modernity has produced material wellbeing, knowledge accumulation and technological innovation. Postmodernism suggests that these material benefits of modernity have been achieved at a very heavy social, environmental and political price. For example, the division of wealth is more unequal than before. The industrial revolution and technological innovation may have produced modern medicine and many more wonders but they have also churned out weapons of mass destruction and contributed to resource depletion. Modernism's consistent desire for order, control and progress culminated a rationally ordered society that is characterised by freedom, equality and political tolerance. However, at the same time it produced death camps and the Gulag (Burrell, 1994). Hunt argues that most relativists may not be in a position to condemn such inequalities. He further maintains that the sum total of human knowledge has increased at various paces in last 400 years and will continue to increase provided relativistic concept prevents it from draining our energies and diverting our concentration and commitment. It may be argued that the human knowledge is always full. It is the different knowledge replacing the existing knowledge. In other words, we don't know more about the world than we knew 400 years ago. It is the scientific knowledge displacing non-scientific knowledge like religious, folklore and narrative tradition. It may also be argued that scientific knowledge is superior to non-scientific knowledge because it is objective, rigorous, and cumulative. It shows that science is not a unique knowledge that is unaffected by the context or culture (Kuhn, 1970). On the contrary, it is social and deeply influenced by political, professional and personal interests. Scientific constructs like "truth" and "false" are social constructs which is culture bound, context dependent and relative. They are not absolute.

Another point arising from the realism-relativism discussion pertains to the question of truth. Hunt argues that since truth is also relative, according to relativists, there is no truth. This logic, arguably, suffers from self contradiction because if it is true, then it can not be true that there is no truth. In contrast, relativism argues that

there are many truths and truths are relative to given societies, times and paradigms. Relativism further maintains that there is no such thing as eternal, unchanging and objective singular truth. Ironically, this position also suffers from self-refutation because one can not be sure about the truthfulness of "many truths" argument.

Therefore, in 1980 Richard Rorty adopted another stance to relativism. According to him it is essential to differentiate the philosophical assertion that the world is external to our senses, from the assertion that truth is external to our senses. In other words, external world may exist independently and we may be conscious of it, truth cannot exist independently of the human mind because truth is dependent on language and language is a human construct. Therefore, truth is made rather than found. Truth is a creation rather than a representation of how things really are. It may be concluded that our beliefs about the world are true when the world appears to correspond with our depictions. However, we should consider our descriptions to be a progression of increasingly useful allegories rather than an increased comprehension of how things truly are.

Fundamentally, some of the most prominent principles of postmodernism are adaptable into marketing terms. For example, Foucault's (1980) concept of power/knowledge is applicable to channel relationships when the retailer's scanning system enables them to provide or withhold product performance information from their supplies. The emphasis on positive (not coercive) effects of power is in tune with the present marketing stress on relationships.

It may be mentioned that the centrality of the consumer is a commonplace in marketing constructs today and is available in every marketing textbook. Premodern marketing, if it can be called that, was not characterised by a total customer orientation (Brown, 1999 & Sheth et al. 1988). Various schools of marketing thoughts held sway before the introduction of the "modern" paradigm. Literature suggests that it was effectively launched by Levitt's (1960, 1986) landmark endeavour. Although, customers featured prominently in previous representations of marketing, it was positioned at the end

of the marketing process. Levitt's rational acumen lay in inverting the traditional representation. He attacked the "tricks and techniques" of selling and production oriented organisations. His enthusiasm about customer orientation was not new. Customer sovereignty had been a basic principle of neo-classical and classical economics. However, Levitt repackaged and represented it at a time when marketing was being accused of producing customers and creating unnecessary demands and stirring up hidden desires. From the above discussion, it may be argued that marketing constructs differ in forms and contents. But the relativist position is far more reflected in various marketing instruments like BCG matrix or in the concept of product life cycle. In Boston Consulting Group matrix the probability of change in the reality is high. Similarly, product life cycle is a continuous process of situational change that reflects that the position of truth is subject to context, time and this can be created rather than found. At the same time, it can be found in many forms implying that truth is many rather than it is single or absolute in form. It may be further argued that marketing is required to deal with constant change. Marketing construct of Levitt was reverted and positioned customer at the beginning of marketing process. However, the requirements of customers are also of changing nature. In other words, customer's demand changes, therefore marketing process is required to address these changes.

The argument is, if relativism propagates many truths it signifies many contexts, many situations and many times. Therefore, it is implied that depending on the situations, truth changes. If truth changes according to changing situations then there are some forces that change the situation. In marketing process, if customers are positioned at the beginning then understanding the changing nature of customer's requirements may become a pre-requisite for constructing a profitable marketing strategy. Therefore, understanding of what changes the customer demand is one of the many important aspects of developing a better knowledge about customers. It may be undeniable that better understanding of customer leads to superior marketing

strategy.

It may be interesting to note that marketing has yet been viewed from this position. Although, customer orientation, imbricative marketing and post modernism are concerned about customers and their requirements, they do not address the basic criterion of changing nature of market, customer and their requirements. Arguably, understanding of how change takes place and how it shapes customer requirement may provide enhanced understanding of customers. If this construct is placed at the beginning of the marketing process then, conceptually, marketing may start with a clear understanding of the market. Therefore, it may be argued that Levitt's construct may be further expanded by positioning customer at the beginning of the marketing process through an enhanced knowledge about the market change constituents, quantifying their influence on customers and then incorporating Kotler's multiply marketing within the organisation. The logic underlines the need of developing a construct that provides better understanding of customer through a process of induction (knowledge about change drivers), be able to quantify the influence of such elements on customer behaviour and position marketing at the beginning of organisational process. Figure -1 explains the theoretical construct of redefined marketing.

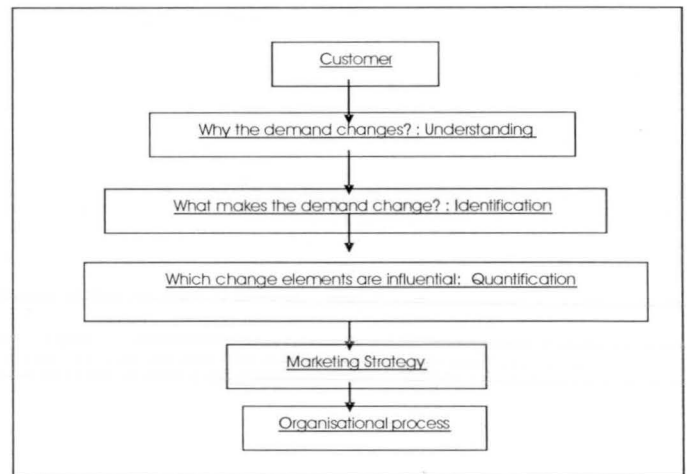


Figure. 1. Redefined marketing

The positioning of marketing before the organisational process and placing of customer at the beginning

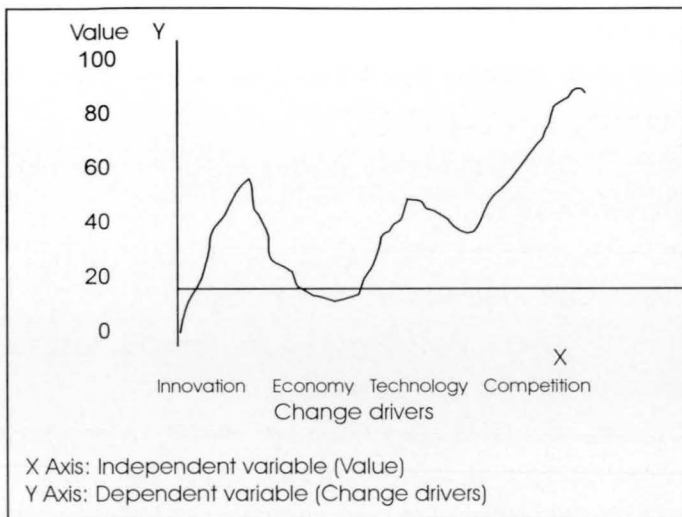
defend the argument that organisations that are customer focused and integrate marketing with the organisational process can be more successful. By organisational process, it implies that marketing should not be viewed in isolation within organisation. Rather marketing should be viewed as a link between other functional areas within the organisation. Marketing strategy should be based on systematic knowledge of customers and it should work as a philosophical construct within the organisation that draws all other functional areas to an operating system which is eventually customer focused. Therefore, this construct underlines two major principles. The first principle is drawn from the extension of Levitt's "modern paradigm" and promulgates a deep understanding of customer and their external environment that shapes their requirement. This knowledge or understanding is placed within marketing strategy building process. It may be noticed that customers are positioned at the beginning of the marketing process. This principle also draws together the attributes of "customer orientation" into the construct because it disseminates superior understanding of customer.

The second principle draws characteristics from "imbricative marketing" and "multiply marketing" and represents marketing as a philosophical construct within organisation that may perform better because the entire resources are drawn towards an operating system that is designed to be customer focused. For example, staff within the organisation is often considered by management as resource. This resource has to be kept motivated, guided and managed. More importantly, this resource has to be kept focused on achieving organisational objectives. Therefore, if organisational objective is to achieve superior marketing strength through a complete customer orientation then human resource has to be customer oriented. This suggests that human resource across functions-be it production or finance or IT services-has to be customer oriented. This also implies that staff across departments should be aware of the marketing philosophy that is in practise by the organisation. Arguably, this widening of a marketing

philosophical construct within an organisation may threaten the existing structure and create confusion because there may a probability of denying change within the organisation. A step change method may be applied in order to bring in such spread of a philosophical construct.

This construct has three notable parts central to its philosophical paradigm. They are understanding, identification and quantification. These are focused on customers. Through this process of induction, this philosophical construct aims to expand understanding of customer. General understanding about customer may be increased if we can identify the reasons behind their changing needs. In other words, if the structure of this change process is understood and the elements of change drivers are identified then knowledge about customer may be augmented because one may give attention to a particular set of change drivers or change initiators to predict how a particular group of customers may alter their demand, then the marketing strategy maker may be aware of this knowledge and use it for developing a suitable strategy.

Quantification implies giving value to a set of change drivers. Process of quantification may show how strongly influential certain change initiators are. On the contrary, it may show how irrelevant certain change drivers are for a particular category of product. For example, it is obvious that degree of influence of change initiator like "state of economy" will not be same on customers of general retail sector and nuclear energy segment. However, it may have more or less similar degree of influence on customers of fashion products and holiday property. Therefore, ability to provide value to these change initiators may further strengthen the foundation of marketing strategy. On principle, these values should be able to indicate which change driver is most relevant for a particular business. This may also point to the change drivers that are to be studied for their possible implications on customers. Figure 2 explains this possibility.



Source: Transcription of interview of senior managers from British Telecom, August, 2003

Figure 2. Process of value addition In Telecom Industry

Senior managers of British Telecom indicated that they perceive competition as a major factor that brings change in customer buying behaviour. They observed that certain offers of competitors like "packaging" of several products together (Broad band, satellite channel and phone connection) and pricing it cheaper changed customer's expectation. Therefore, they considered "competition" as a more powerful change driver than even "technology" and "innovation". When asked to describe this in a scale of 100, they placed "competition" in 85. Therefore, it is argued that while developing a marketing strategy, competition should be considered first and the marketing strategy should be strongly defended by innovation and technology.

However, it may be noted that the score of competition may change implying that competition may score other than 85 in a changed situation. Therefore, this quantification process should be reviewed frequently in order to remain customer oriented. Additionally, this high scoring of competition suggests that product portfolio is a critical factor in the marketing scenario of telecommunication business. Therefore, continuous focus should be given on product innovation.

Organisational process in figure 1 suggests a complete

integration of marketing in all functions of an organisation. This represents the concept of marketing orientation. The impinging resources of an organisation signify all resources. These resources are to be customer focused and marketing is to be positioned in the centre. Therefore, the definition of marketing may be extended to cover organisation and its customers.

Conclusion

From the above discussion it may be argued that the construct of redefined marketing is a post-modern and relativist position. Constantly changing market situation provides the reason to look into marketing from a relativist stance and since marketing cannot exist without being affected by social, cultural, political and economic phenomenon, redefined marketing construct is essentially a post-modern paradigm. It may be concluded that since redefined marketing construct argues for a more customer focused approach; it represents an extension of the existing definition of marketing by including organisation and change drivers into the paradigm. It may also be argued that this construct views customers from the change perspective. Therefore, it may be suggested that this element may provide marketing strategy more flexibility that is required in a changing market place.

The marketing construct, as described above, has close proximity with Kotler's multiply marketing concept. It is rather an extension of marketing knowledge base that helps to know the customers better. It may also be concluded that a close relationship between all functions within an organisation and marketing may generate a new understanding of customers and their changing requirements.

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