Marketing Education: Building Capacity beyond Competencies

by
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Abstract. This paper seeks to bring together the notion of marketing leadership and both individual and organizational capabilities by developing marketing leadership framework. The author presents marketing leadership as a way to respond to the changing marketing environment and to the “identity crisis” of marketing science and practice. A combined research and development process is conducted in order to derive a conceptual model of the components of marketing leadership as well as to propose a marketing leadership framework based on both organizational and individual capacity development. This process integrates a broad literature search, both within and outside marketing, followed by a longitudinal study of marketing managers/CEOs to identify the problem areas in marketing leadership and capacity development as well as to find the most important relationship between them. A sequence of qualitative interviews and brainstorming sessions are conducted in order to develop marketing leadership conceptual map. The conceptual map is presented as a framework. Three key capacity areas are identified within the marketing leadership framework namely (1) strategic intent; (2) culture / behaviour; and (3) business processes. The components comprising each of these areas are defined as well as four types of marketing leadership. The author concludes by discussing marketing leadership types and opportunities for further research.

Key words: marketing leadership, capacity development, marketing leadership framework.
JEL classification: M31

1 Introduction

Webster (2004) claims that “marketing is undergoing an identity crisis, and it may be that its current state is not only self-created, but also self-perpetuating”. Considering further her point of view and the arguments presented one could be astonished that the same problem had been pointed out nearly fifty years ago by Felton (1956) who exposed his “plea for taking a fresh look at the complexities of marketing… not to deal with problems by simplifying, reducing to rules, or trying to “engineer” a sales program.” Many scholars (Cravens, 2006; Fodness, 2005; Webster et al., 2004; Denison and McDonald, 1995; Maclaran et al., 2010) nowadays are still looking for “a basic solution to the marketing problem” as Felton did himself (1956, p. 117). Hunt (2002) summarises that throughout its 100-plus history, one of the most recurring themes has been that there is a “gap” or “divide” between marketing academe and marketing practice. The situation at the beginning of the twenty-first century is even more complicated because both marketing science and practice face complex changes due to turbulent markets, aggressive global competition, demanding customers, rapid emergence of new technologies, and disruptive innovation.

Today both businesses and academic people are re-evaluating the role and importance of marketing leadership in organisations. Opinion leaders offer very different interpretations concerning the topic under discussion from diminishing the role of marketing to “short-term revenue goals” (Webster et al., 2004, p. 39) to “looking for strategic and operational leadership from marketing organisation” (McGovern and Quelch, 2004) or proposing organisational changes in the marketing function (Marketing Leadership Council, 2007). According to Denison and McDonald (1995) besides the changing environment, marketers are confronted by general low regard of their discipline, as a consequence of a number of longstanding weaknesses associated with it. Their case studies suggested that the issues under criticism are poor image, complacency, poor integration and lack of secure knowledge base. The ongoing debates about marketing as a science, an art or somewhere in between the two
(Maclaran et al., 2010, p. 5) imply the following conclusions.

Firstly, the concentration on method and technique led to criticism that marketers were too fascinated with ‘tool kits’, emphasising technology rather than theory (Hunt, 1983) which leads to over-emphasis on quantitative methods.

Secondly, there is a doubt about the appropriateness of methodologies, ontologies, epistemologies, etc. used by marketing scholars (Anderson, 1986; Jack and Westwood, 2006).

Thirdly, we face a theoretical fragmentation of the mainstream combined with a lack of attention to the history (Baker, 2001; Levy, 2003).

How is marketing evolving to respond to the changing marketing environment and to the “identity crisis”?

In this study, the author undertakes a combined research and development process to derive a conceptual model of the components of marketing leadership as well as to propose a marketing leadership framework based on both organisational and individual capacity development. This process integrates a broad literature search, both within and outside marketing, followed by a longitudinal study of marketing managers/CEOs to identify the problem areas in marketing leadership and capacity development as well as to find the most important relationship between them. Then a sequence of qualitative interviews is conducted in order to develop a concept map of marketing leadership. The concept map is presented as a framework and then it is tested using case studies. The author concludes by discussing marketing leadership types and opportunities for further research.

2 Perspectives on Marketing and Leadership

2.1 Marketing Philosophy and Contemporary Culture

It is worth commenting that ‘marketing’ is seen by many to be an activity that is primarily concerned with economic well-being and financial or other benefits. Undoubtedly in the commercial world this is a significant issue for those engaged in marketing. The science of marketing has been based on obtaining a greater understanding of the techniques and methods of improving market share, increasing profitability, and many sciences of customer care and satisfaction. Unfortunately, many firms still operate as if the marketing and sales functions are one and the same which on turn leads to misperception of their marketing leadership (Webster, 2004). This shortsightedness explains the lack of strategic and analytical understanding of marketing in the firms’ marketing agendas. Contemporary culture has allowed us to become negligent of some essential features of human well-being. One of those might be “the common good” and the personal well-being of people. Those who are engaged in developing marketing strategies cannot ignore the effect of their work on the individual and on society as a whole. Marketing, therefore, cannot be effective nowadays if considered from a marketplace point of view alone. The marketplace mentality is a feature of contemporary culture. But there is also a very significant aspect of marketing that is based on ethical sensitivity, relational creativity, empathy and this cannot be lost sight of in the professional development of those who are engaged in marketing. The values of ‘the marketing professional’, as with any other professional person are very important, and cannot be ignored in considering the competencies and capabilities development of marketers.

2.2 Leadership and Marketing

In any business climate, good leadership is perhaps the most important competitive advantage a company can have (Maccoby, 2004). The concept of leadership in marketing is also an important and growing area of professional interest (Fodness, 2005; Butler and Waldroop, 2004; Denison and McDonald, 1995). The leadership in terms of marketing is not to be attributed to a role or position in a company or organisation, but rather to the
ability of a person or organisation both to perform successfully and to improve society which means that leadership could be defined as a state of mind. Leadership requires having a vision to undertake professional work for the benefit of the profession and for the benefit of the public. It also requires the capability to put that vision into practice. There is no point in having a vision but an inability to ensure that it can be made practical. Marketing is a severely practical and ethical activity. As we look to the future we might speculate that marketing leadership will not only be about having knowledge and skills, but it will be more related to developing relationships and paying attention to emotional development. This point of view prevails in recent specialised literature (O’Driscoll, Carson and Gilmore, 2000; Butler and Waldroop, 2004; Forster, 2005; Rooke and Torbert, 2005). In the future there will be a deeper and overt expectation that marketing professionals will be inspired by their capacity to work in teams, and their ability to generate new thought and action by the ways in which they think and act. They will not be people of compliance and conformity, but people of creativity, enterprise and inventiveness.

The education of leaders cannot be predetermined. Their formation is not in predicting the future knowledge, skills and values, but rather in providing them with the abilities to develop their own confidence, passion for learning and enterprise, and ethical care that will be necessary as they undertake their work. This is building the human capacity of leaders in marketing, and not being limited by any ‘competencies’. The setting of competencies leads to sub-optimal performance, and in the modern world this is unacceptable. Assets like leadership, talent, and speed are what produce superior market value and public respect (Ulrich and Smallwood, 2004).

This paper seeks to bring together the notion of marketing leadership and both individual and organisational capabilities by developing marketing leadership framework.

3 Methodology

The research programme started as a part of a longitudinal study conducted during the period 2003 – 2013. It has been further continued in order to gain an insight into the most important survey results especially the issue of marketing competencies and marketing leadership. In essence, the study combines a literature review of the state, a representative study among the marketing managers/CEOs of Bulgarian firms, individual in-depth interviews with CEOs, marketing consultants and academics for the purposes of the concept mapping, and three case studies. The literature review, albeit limited, gave us a platform on which to build the marketing leadership framework. The longitudinal study has been planned as a three-staged process with a main research goal to explore the organisational evolution of Bulgarian firms and their strategies to change. The first two stages has been already completed. In this paper the author uses as a base the results from the second stage. During this stage a representative sample of senior marketing and sales managers and executives was drawn using a database combining information from National Statistical Institute and Bulgarian Industry Association. NACE Codes were selected from the manufacturing, food industry, light industry, wholesale and retail trade, insurance, and travel and tourism sectors. The questionnaire was mailed to the most senior person who was knowledgeable about the marketing strategy of the firm. Two weeks after the mailing, follow-up telephone calls were used to remind people to complete the survey. As a whole, 520 surveys were sent out and 375 filled in questionnaires were received back. The high level of response rate (72%) is achieved due to the assistance of the local branches of Bulgarian Chamber of Commerce and Industry during the process of questionnaires collection. Both data collection and basic data analysis were completed in April 2012.

The concept mapping (Novak, 1998; John, Loken, Kim and Monga, 2005) was done on
three stages. The first was the elicitation stage. The constructs were extracted through content analysis of the job announcement in specialized newspapers (January – July 2013) and through individual in-depth interviews with marketing managers and CEOs. In the second stage, a group of marketing professionals and academics map these elicited constructs to show how they are connected to one another. During the third stage, author aggregated these individual concept maps and associated data to produce the MLF (Marketing Leadership Framework) map. The conceptual model is presented on Figure 1 and Figure 2. It reflects the notion that marketing leadership can be a driver or catalyst to shape strategic choice and organisational configuration. The organisational capacity framework suggests that at lower levels of administrative responsibility, the principal need is for technical and human skills (functional competences). At higher levels, technical skills become relatively less important while the need for conceptual skills increase rapidly. At the top level of an organisation, conceptual skills become the most important skills for a successful leader. All these are surrounded by a cultural bound pointing out that marketing leadership can vary from one cultural setting to another. Leadership development, as mentioned above, is a dynamic process which requires the implementation of systems approach. The Marketing Leadership Framework (MLF) should be treated as a system which is formed by three Key Capacity Areas (KCA) namely (1) strategic intent which is based on the ability of the marketer to reveal the real marketing problem in long-term perspective using vision, strategies and organisational skills; (2) culture / behaviour which is based on values and behavioural norms; and (3) business processes which reflects the functional and operational dimension of marketing leadership including talent management, systems and infrastructure and organizational structure. These inter-related areas form the corporate identity of the organisation by defining its strategic intent and tools for achieving it. From individual point of view marketing professional should on turn possess leadership capacity based on the following inter-related elements which correspond to the KCAs: (1) Professional Knowledge and Understanding; (2) Professional Skills and Abilities; and (3) Professional Values. These are not to be seen or treated as separate aspects of capacity development, but are integrated into the formation of the marketing professional.
4 Results

The results from the representative study suggest that the problems faced by the firms while developing and implementing marketing strategies are interrelated. A total number of 36 hypotheses have been tested (see Appendix for details). The author found out that marketing strategy performance has been affected by factors such as process management (strong positive correlation), technology, management, and personnel. Management problems are mostly provoked by the personnel problems (communication, teamwork co-operation, empowerment, etc.) and technology due to low technological development level and old technologies applied as well as quality level. Process management and quality directly affect firms’ performance which confirms the result that quality is the most important factor for competitiveness. Unfortunately, both innovation factors (product and technological innovation) are evaluated as the least important while it has been determined (t-test for paired samples) that they are key drivers for change. The attitudes of the managers toward the elements comprising strategic intent and culture KCAs have been measured using Likert scale for the present year and three years from now. The results were rather discouraging since the notion of leadership and strategic marketing was totally misunderstood. The managers are mainly engaged with tactical activities. Only 35.4% of them have a rough idea of strategic marketing and marketing management but do not apply them into practice.

<table>
<thead>
<tr>
<th>Key Term</th>
<th>%</th>
<th>Key Term</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>23</td>
<td>Strategy</td>
<td>7</td>
</tr>
<tr>
<td>Product</td>
<td>20</td>
<td>Objectives/Goals</td>
<td>6</td>
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<tr>
<td>Sales</td>
<td>16</td>
<td>Budget</td>
<td>5</td>
</tr>
<tr>
<td>Plan/Planning</td>
<td>9</td>
<td>Others</td>
<td>14</td>
</tr>
</tbody>
</table>

Almost the same percentage of respondents do not consider marketing as a part of management decision making process but two-third of them believe that this will change in three years. The respondents are very sceptic about the possibility to manage all marketing activities in an integrated way using one organisational structure both at present and in the near future. During the next stage of the research process 17 individual in-depth interviews with CEOs, marketing consultants and academics for the purposes of the concept mapping have been conducted. As a supporting information the results of a content analysis of job announcement for marketing managers has been used (Table 1).

As a result of the qualitative research stage the conceptual model of MLF has been redefined and the components comprising each KCA has been defined (Table 2).

Our results confirm the Butler and Waldroop’s (2004) research outcomes suggesting that...
marketing professionals should possess the following three out of four dimensions of interpersonal capacity namely relational creativity, team leadership, and influence. These results are used further as a base to perform three case studies in order to identify the marketing leadership types by comparing leadership ability and organisational capabilities.

Table 2. The Basic Components of the Key Capacity Areas of MLF

The main business of Company A is concentrated in software development (B2B services), Company B operates in food industry while Company C sells computers, laptops and smartphones. Company A is internationally oriented while Companies B and C operate only in Bulgarian market. The attitudes of managers and their level of competence have been assessed in the following aspects: 1/ basic management attitudes, 2/ attitudes toward the company and 3/ management competence. Two thirds of the managers in Company B were not aware of their responsibilities. It is quite possible such vagueness to be present downwards the hierarchical chain because 43% of the respondents feel uncertain regarding the capabilities of the subordinates to take greater responsibility in their work. During the analysis it has been revealed that the critical information and competence points are located within the field of product management, budgeting and corporate governance. The decision making model has been defined as ‘driving’ type. Based on the results from the analysis we can determine that marketing leadership type of Company B is opportunistic (Figure 3).

The situation in Company A differs a lot compared to Company B because IT markets are dynamic and customer needs are constantly evolving which requires alert management and agile organisational structure. The same research tools are used combined with several unstructured interviews with the owner (CEO) and the leaders of the core teams. The author gained insights into company management since she consulted the company during the process of QMS implementation. The main problem concerning marketing leadership application was the leadership ability of the owner and his refusal to delegate rights downwards the hierarchical chain which actually is not developed at all. Company may face management problems in near future since IT markets require transformational marketing leadership while Company A applies a strategic one.

Company C possesses the longest market ‘history’. It operates on Bulgarian market more than 15 years starting with the local market in town of Varna with one small store and now dominating that local market together with a national presence. Company C, developing rapidly during the last few years, now faces skills/talent challenges especially in the field of marketing at all levels of the organisational structure. Company still relies on the expertise and skills of its owner and CEO but it becomes more and more difficult to manage the growing business of the firm. The organisational capabilities (see Figure 3) vary between the opposites of the scale depending on the business field, e.g. high level for B2C sales and low level for B2B (incl. partners’ network) sales. Since the pressure caused by the push strategies applied by the international dealers of leading brands deepens, the main challenge for the company is find a way to ‘pass’ to transformational marketing leadership type.

5 Conclusions

Across industries, marketers face a growing number of challenges. By increasing the centralisation of the marketing function, most companies are attempting to bring a more
strategic customer-oriented focus to marketing which “calls” for rethinking marketing leadership. It is in the heads and hands of marketing leaders to disprove the Philip Kotler’s remark that “marketing is the most misunderstood function in the modern corporation.” The key conclusions that the study reached were, first, that marketing leaders need to be nurtured and continually developed by investing in their capacity building, and second, that marketing leadership type depends on market development phase, organisation’s “genetic code” (according to OrgDNA Profiler) and leadership ability of the top management team.

References


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Author description

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Appendix

**Relationships between KCA Core Elements: Hypotheses Testing**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variables</th>
<th>Phi and Cramer’s V</th>
<th>t-test Value</th>
<th>Null Hypothesis</th>
<th>Significant?</th>
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</tbody>
</table>

* p<0.05 (t-test) for paired samples.

Shadowed rows present medium correlation between variables.

‘Management’ includes ‘Organizational design’ and ‘Interfunctional coordination’.

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