

MARKETING IS ABOUT BEHAVIOUR

MARKETING DEFINITIONS

Google defines marketing as, *'the action or business of promoting and selling products or services, including market research and advertising'*.

In addition to being sloppy, this definition suggests that marketing is all about 'selling' or 'promotion' when it need not necessarily involve either. Certainly, marketing does not need to involve either 'market research' or 'advertising'. Zara, one of the world's largest retailers has no advertising budget and does very little promotion, and many businesses in Australia complete little, if any, market research.

On a more pedantic level, I would argue that a 'service' is a 'product'. A 'product' can be either a 'good' or a 'service'.

Mary Ellen Bianco – Director Marketing & Communications, Getzler Henrich & Associates LLC defines marketing as follows: 'Marketing includes research, targeting, communications (advertising and direct mail) and often public relations. Marketing is to sales as ploughing is to planting for a farmer—it prepares an audience to receive a direct sales pitch'

This less than typical definition focuses more on what is 'included' in marketing rather than what marketing actually is. It focuses on the tools that marketers use rather than the outcomes they are trying to achieve with those tools.

Like the earlier definition it also focuses on the 'sales' designed to encourage people to buy a product. I would argue that marketing is also a part of encouraging people to stop smoking, drink less alcohol or eat less junk food – none of which involve selling.

Marjorie Clayman, Director of Client Development at Clayman Advertising Inc. defines marketing as follows: 'Marketing is building your brand, convincing people that your brand (meaning your product/service/company) is the best and protecting the relationships you build with your customers'.

Another archetypal definition, this again focuses on the components of marketing rather than what marketing is. It defines the tools rather than the outcomes. It again focuses on 'convincing people' or selling, and more broadly on communication. Like the previous definitions, it fails to address a number of aspects of marketing including price and distribution.

Dr Augustine Fou, Founder of Marketing Science Consulting Group Inc. defines marketing as follows: 'Marketing is the process of exposing target customers to a product through appropriate tactics and channels, gauging their reaction and feedback, and ultimately facilitating their path to purchase'.

Yet another archetypal definition of marketing focuses on 'exposing target customers' or communication and selling. This definition does bring the 'target' market into the equation and recognises a broader view of marketing as 'facilitating their path to purchase'. However, this definition again places the primary focus on communication and ignores factors such as pricing, distribution and product development.

These definitions are cited because they are so typical of the definitions found in text-books and uttered by consumers, business people and marketers alike. Like most definitions they focus on:

- Outlining the tools rather than what those tools are designed to achieve

- Focusing unduly on communication and sales ahead of the many other components

Further, these definitions reflect:

- The community view that marketing is all about convincing consumers to buy what they may or may not want
- A commercial view that relates more to how practitioners can make money instead of what the discipline actually is

THE IMPORTANCE OF A DEFINITION

It is more than reasonable to ask if a debate over the meaning of the term 'market' is anything more than an academic exercise. I would argue, however, that this debate represents much more than an academic debate and is, in fact, one of the most important issues in marketing, particularly for commercial operators who want to minimise the cost of marketing and maximise return on investment.

Advertising agencies and associated professionals have made a great deal of money over the years by convincing business and, indeed, government and not for profits that marketing is all about:

- 'promotion'
- 'advertising'
- 'market research'
- 'brand'
- 'tactics and channels'

What is more, business, governments, and not for profits believing that this is what marketing is all about, have paid small fortunes for the services provided by advertising agencies, direct marketing practitioners, public relations consultancies, SEO geniuses, and digital gurus.

Questioning the definition of marketing and what the discipline is all about is tantamount to asking whether the money spent on these activities was well spent, and whether some or all of it might have been saved if there was a more appropriate definition of marketing.

I would argue that defining marketing is central to maximising the return on the investment in the discipline.

PROPOSITIONS

This paper addresses two propositions.

The central proposition is that marketing is best defined as follows:

- The management of human behaviour with the express purpose of achieving social and/or commercial outcomes

The secondary proposition is that:

- Viewing marketing as the management of human behaviour has the potential to reduce the cost of marketing and/or increase the return on the investment in marketing.

A NEW DEFINITION

Often described as the father of modern marketing, Professor Philip Kotler of North Western University in the United States defined marketing as follows; *'the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit'*.

Kotler goes on to say, *'marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.'*

I would argue that Kotler's definition represents a huge improvement on the definitions discussed previously in that it defines the discipline rather than listing the components. It focuses on the 'needs of a target market', recognises that there is both an 'art' and 'science' involved, and highlights the complexity of the discipline.

This definition does, however, unduly focus on 'profit' when marketing often does not involve a profit motive. It also fails to get to the heart of what marketing *is* and how it can help a business, government agency or not for profit. It also fails to embrace the fact that, ultimately, marketing is about causing the occurrence of a behaviour that will further a commercial and or social objective.

I would argue that marketing is all about the management of human behaviour with one of four goals in mind. That is, every marketing campaign or strategy must serve one or more of five core behavioural objectives. It must cause a behaviour to occur:

- For the first time
- For the last time
- More often
- Less often

Some marketing strategies are designed to cause a behaviour to happen for the first time, say - shop at your store.

Some marketing campaigns are designed to cause a behaviour to happen for the last time, say – smoking.

Some marketing campaigns are designed to make a behaviour occur more often, say – visit your store

Some marketing campaigns are designed to make a behaviour occur less often, say – drinking alcohol.

There is, in effect, nothing else that marketing is designed to do, other than perhaps add value to a product, which I would argue is a tool in achieving one of the aforementioned objectives, and causing that behaviour to occur at a target price. Adding value to a product is, in essence, a tool for maximising return on investment.

THE TOOLS

The definitions of marketing discussed in the opening section of this paper focused more on the tools than marketers use than what marketing actually is or the outcomes it delivers.

While they should not be the focus of the definition of marketing, tools are indeed important. Given my definition of marketing, tools represent the lever that marketers use to *'manage the behaviour of their target market.'*

Given that marketing is all about managing behaviour, the primary tools available to marketers are:

- Product
- Price
- Brand
- Packaging
- Access
- Communication

Building on Kotler's 'marketing mix', these tools that can, and should, be used to achieve the required behaviours.

Arguably, nothing is more important than the product, and the development of products that address the needs and wants of consumers. The more a product meets and exceeds the expectations of the target consumer, the more likely it will be purchased.

Price can be used in a number of ways to influence purchase behaviour. Lower prices might encourage purchase (commodities such as milk), and in some cases higher prices encourage purchase (luxury goods), while in other circumstances higher prices can inhibit purchase (e.g. cigarettes).

It might be argued that nothing is more important in 2018 than branding. Branding is, ideally, the 'process of creating a culture that can bridge the gap between the 'optimal brand' (what suits the business) and the 'actual brand' (as understood by the consumer).

Packaging relates to a host of factors including physical presentation, service, and the overall customer experience. As Apple has demonstrated in its stores and on its websites, the customer experience can have a dramatic impact on consumer behaviour.

If a consumer cannot access a product, they will not buy it. Access and distribution have a substantial effect on behaviour. As deliver times get shorter, for example, so consumers will buy more and more online. Delivery times and costs are the main barriers to online purchasing.

Obviously, consumers will not purchase what they are not aware of. However, communication need not involve advertising, PR or DM etc. any more than it involves behaviour that drives repeat business and behaviour that drives referral. Nonetheless, communication is an important tool.

Secondary tools, facilitating the use of the primary tools in marketing include market intelligence, which in turn includes, market research, experimental research, data mining and analysis.

IMPLICATIONS

A new definition of marketing might be interesting, but how helpful is it?

I would argue that it is very helpful, indeed!

It is helpful for three reasons:

- It shifts the focus away from tools and methods to outcomes, demanding a new process for the achievement of those outcomes
- It shifts the question from - how do we cut communicate costs, to how do we cost effectively achieve the behavioural outcome we need?
- It recognises the point made by Kotler in his definition of marketing, that it involves both 'art' and 'science'.

This alternative definition of marketing demands a process that involves consideration of the following:

- What are our commercial objectives?
- What markets will best help us achieve those objectives?
- What behaviours do we require from consumers in those markets?
- What is the most cost-effective way of delivering those behaviours?

I would argue that these are the most important four questions in marketing.

It is essential to understand exactly what our commercial or social objectives are, the target market best suited to delivering on those objectives, and exactly how we can influence members of that target market to behave if we are to achieve our objectives.

We are then in a position to undertake the required research, gather a comprehensive understanding of the target audience, before considering the role that all of the tools listed above might play in delivering behavioural outcomes that will achieve our commercial or social objectives.

Advertising agencies have been telling us for years that marketing is a creative process (mostly art), and that is the preserve of 'creative people'. Setting aside the notion that all people are creative in their own way, marketing in 2018 is far more science than art. It is the ultimate management science.

FIVE EXAMPLES

There are any number of world class brands that focus on the abovementioned core questions and almost never resort to advertising or other traditional forms of communication. These include:

- Zara – the world's fifth largest fashion brand
- Krispy Kreme – the world's most sugar laden donut brand
- Rolls Royce – still the world's most prestigious automotive brand
- Costco – one of the worlds largest retail discount brands
- Spandex – one of the worlds best known stocking brands

These organisations do occasionally advertise for staff, manage their image online, have websites, and have very active relationship management programmes with their community members, but none engages in traditional or digital advertising. They have all moved well beyond the traditional definition of marketing to focus on developing the product, the pricing

strategy, the brand, the packaging, and the access required to manage the behaviour of their target consumers.

They have all evolved with the definition of marketing.

NEW TECHNOLOGY

A friend said to me the other day that it was 30 years since she studied marketing and that she was now out of touch.

In response, I asked, 'out of touch with what?'

She responded, 'to start with, I know nothing about digital marketing'

There was little doubt from our discussion that she did know little about digital 'technology', but she still knew plenty about marketing, at least as I define it.

She is, in fact, well versed in the management of human behaviour. She knows how to identify objectives, markets, and the behaviour needed from those markets to achieve the objectives. All she does not understand is some of the tools. She understands product, price, branding, packaging, access, but not all of the opportunities available to communicate.

Marketing is not about communication tools, marketing is about achieving commercial or social objectives as cost effectively as possible.

END OF AN ERA

In my next paper, I will argue that we are coming to the end of the advertising era, the era in which marketing and advertising are used as interchangeable terms. The meaning of marketing is evolving and the appreciation of its basis in behaviour management, and science in general, is growing with it.

This paper outlines a new definition for marketing, which, in turn, reflects the maturation of the discipline and the move away from an era in marketing that was dominated by advertising and advertising agencies.

Marketing is all about behaviour and, in the future, rather than the so-called 'creative' people marketing will be attracting more behavioural scientists, and specialists in behavioural economics and consumer behaviour.

IN CONCLUSION

Marketing is, 'the management of human behaviour to achieve a commercial or social objective'.

The sooner marketers embrace this new definition, the sooner they will reduce marketing costs. The sooner they focus on behaviour, the sooner they can stop focusing on finding cheaper ways to communicate, and instead turn their attention to finding alternatives to communication as a whole.