

BOOK REVIEW

MARKETING MOVES

(A new approach to profits, growth and renewal)

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Marketing in totality must be reconstructed, redefined and stretched in the present competitive scenario of global corporations. If marketing only aims at pushing sales up of the existing products than soon marketers are about to change their opinion. Smart firms are adopting a sense- and - respond marketing mindset. To exploit emerging market opportunities, marketers need to focus on three major tasks.

First craft the customers' benefit based on the changes in the consumers' cognitive space.

Secondly realign the firm's business domain based on its competency space and lastly expand the firm's pool of business partners based on its collaborator's resource space. Organizations need to integrate these tasks with right governance framework.

1. Crafting the customer's benefit:

The market place is extremely cluttered with multiple brands offerings in the same product category. But every customer has its own limited cognitive and financial capacities. He also wants value for his money. As marketers we must understand his choice context: what the customer thinks about, wants, does, worry about and what he admires. Whom they are interacting with and who is influencing them. Once we shift our focus from product attributes to customer's contextual experience, it provides you with great insight and ideas. Broadly customer benefits can be defined along three dimensions:

1. From output based offering to outcome- and input based offering.
 2. From product performance to customer experience.
 3. From mass market offering to customized market offering.
1. In output based offerings firms provide outcome based or solution based offering to customers in order to reduce defection. The

basic idea is that manufacturers must seek what outcome customers want? Like customers want tasty and nutritious food not foodstuff. Instead of toothpaste they want healthy teeth and surely they are looking for entertainment not CD's. A good example would be Rand Merchant Bank in South Africa which offers 'outsurance' instead of 'insurance where company pays their customers for not claiming. Aegon, a Netherland based insurance company rewards customers for staying fit and healthy to a certain age.

Input based offering offers a huge and friendly platform to customer and allow them to actually design and build a product or service. Japanese retailer Muji provides basic, unornamented and functional unbranded products and customers can have their own style. The Home Depot's do-it-yourself repair and remodeling projects and Gap.com's clothing design are some other good examples of input based offerings.

2. In today's scenario many brands offered by different company are more or less similar because of the increased capabilities of the firms to copy one another. Now customers choose among experiential themes and not on products features. Firms allow their customers to manage their own experience. The focus is on how the individual customers perform while using the offering and not how the product is performing. Theme restaurants like 'Hard Rock Cafe' and 'Dive' offer foods as a prop for entertainment. Jordan's Furniture and Niketown have reoriented their businesses towards 'shoppertainment' or 'entertailing' by drawing their customers in fun activities and promotional events. Ritz- Carlton lodging experience and Hertz car- renting experience are other good examples.

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- Manufacturers in order to achieve a low cost of the product were engaged in producing standardized mass product offerings. But now digitization has actually allowed real customization. Levi's customer can custom-size their jeans. At Dell one can customize personal computers. Some web sites now have 'call me' button that when clicked, draws an immediate phone call from the company to respond to an individual customer's need. At the end of the day these companies are in a better position to satisfy their customer's need as compared to mass marketers.

2. Realigning the company's business domain

If a firm wants to maximize customer's contextual experience than they need to realign their company's business domain. A firm may have to acquire new capabilities and may be collaborators. Bank's ATMs are one such example. Global forces and emerging trends stimulate or we can say necessitate changes in a company's business domain. Deregulation has led many companies to offer wide range of financial products which was otherwise the bank's domain. Volkswagen is one of the largest providers of financial services in Europe. Some other broader trends like globalization, outsourcing, alliance building and syndication also induce realignment. Microsoft owns more than 10 per cent of Comcast, one of the America's largest cable company as it has competition with major media groups like Time Warnes and News Corporation. Digital technology has done wonders on internet. Firms like Amazon.com, Travelocity. Com and E*TRADE have bypassed the traditional middlemen and sell directly and also it allows new middlemen to emerge on the internet. For example, information middleman (Comparenet.com). The traditional middlemen either have to reinvent or disappear. They can become logistics service provider, information service providers that can offer a range of products and services. There are three steps involved in doing so:

(Re)Defining the company's business concept:

In an extremely dynamic and competitive environment a firm should focus on the 'big idea' rather than a product category, a certain market segment or may be a specific core competency. Successful companies do not view themselves as only selling products or services but also exploring, creating and delivering customer value. This sense of purpose actually catches the attention of the customer, collaborators and employees. IKEA is

considered a company providing 'a better everyday life for many' not a furniture maker. Disney is in the 'making people happy' business. Sony is all about 'miniature perfection' than a consumer electronic company. Starbucks is more about 'sociability' than about coffee.

(Re)Shaping the company's business scope:

Intelligent firms turn customer benefits into business opportunities. A firm may have to enlarge or otherwise adjust the scope of its business. Some energy companies, such as Shell, Mobile, and BP are entering retailing. Barclays Group has become the owner of 17 online malls and has also changed its name to Barclays Square to reflect its new business domain. Travelocity is providing travel related services which earlier used to provide only air tickets. UK retailer Boots the chemist offers health insurance and health products. Firms need to think in this context now. Companies are shifting their operations from a market place with a physical value chain to a market space with a virtual value chain.

(Re)Positioning the company's brand identity:

Companies need to effectively communicate their brand's identity in such a way that it reflects the new business concept and reshaped business scope. Many industrial age companies were inside-out organizations have changed their approach. Many strong brands are today outside- in unique and highly personal. Apple's 'The power to be your best' and 'think different' stands for differences. Nike's 'just do it' and 'I can' stand for winning.

3. Expanding the business partner space

To track market opportunities companies need to attract resources and many of these resources should come from business partners. Some of the traditional companies have joined hands together in a simple, linear chain, progressing from raw material processes to manufacturers to distributors and retailers. Companies should seek to capture the valuable niches in collaborative networks. This maximizes the number and strength of their ties with companies and customers. Since the market place is dynamic and subject to change so the most successful companies also need to constantly reevaluate, reevaluate and revise themselves in order to survive well.

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