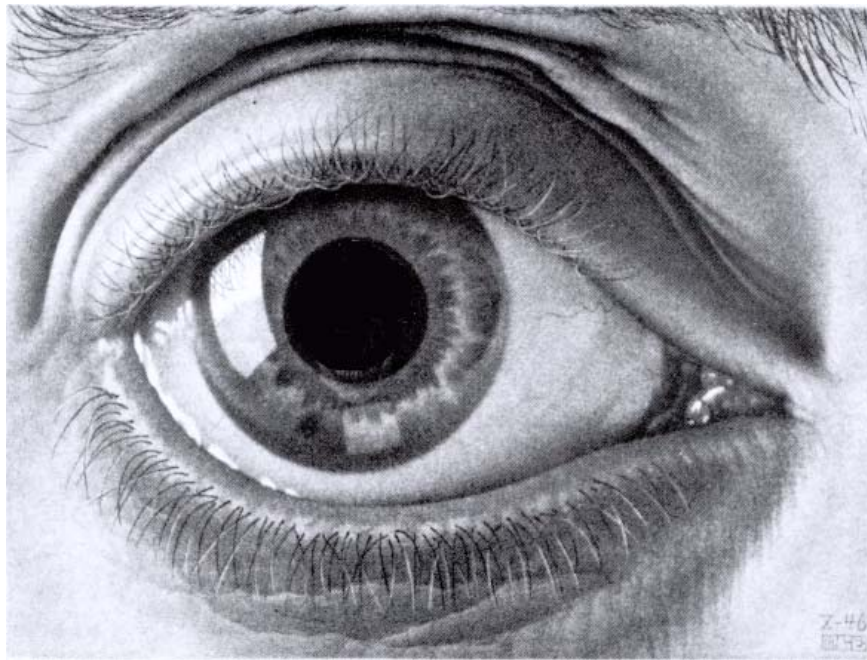


VISIONARY MARKETING

From the understanding of complex customers to the design of Marketing-orientated information systems (M.O.I.S.)

By Yann A. Gourvennec
<http://visionarymarketing.com>



Note: This text refers to a number of books that were originally published either in English or French. All the references quoted in the bibliography are those of the works in their original language (see page 54). Additional information about the latter can be obtained from the author ☎ (Tel) +33 1 3973 7681 or ✉ (Email) <http://visionarymarketing.com/enfeedback.html>



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Yann A. Gourvennec

Visionary Marketing

23 A rue de Tourville
Résidence Tourville
78100 Saint Germain en Laye
FRANCE

 +33 (0)1 3973 7681

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1. The Extension of the Scope of Marketing Management

Marketing is a very broad ranging discipline which is undergoing radical changes. The approach that should be adopted by Marketing management in the 21st century is conditioned by the deep social and cultural changes that we are going through at the end of this century. It is also greatly impacted by the significant alterations of today's business practices.

Our answer is what we have entitled Visionary Marketing. In a world where change is constant and is also happening at a quickening pace, it seems fundamental to us that Marketing be placed within the big picture of strategic management. The *vision* for the future of the firm is central to this approach. As a consequence, the very practice of marketing is evolving:

Firstly, the scope of marketing has shifted beyond the range of consumer goods, and is even widening up to that of non lucrative enterprises such as Art, charity or ecology.

Secondly, marketing methodologies tend to get closer to both business and individual customers. This is true of micro-marketing namely, or of the fundamental transformation of industrial marketing.

Thirdly, beyond these particular technical changes, there is a deep change of the whole understanding and application of marketing. One of the causes for the rise of this phenomenon is the lingering economic crisis, that forced companies to adopt very short term strategies. The ultimate aim of such strategies is an immediate return on investment. Strategic planning is losing grounds in a world where the only constant is change, and where the economical and social factors are growing increasingly complex. As a matter of fact, in such an environment, planning techniques that are based upon long-term models of stability are proving singularly unfruitful.

This metamorphosis concerns consumers in the first place, and therefore it impacts businesses as a consequence. For it must not be forgotten that consumers are also employees, and it is not possible to dissociate business from society, as if it were only ruled by a few financial formulas.

1.1 The Emergence of Conventional Marketing

1.1.1 The Marketing Concept

Traces of the invention of "Marketing" can be found way back in the 17th and 18th centuries in England and in France with the creation and the development of manufacturing industries (e.g. Aubusson or Les Gobelins as an example of the French 17th century tapestry trade). However, the name of Marketing itself and the theory did not emerge in the United States much earlier than in the 1950's.

After a very sales-oriented start, the significance of this discipline within the overall management of businesses kept growing steadily. This was mainly due to the invention of the notion of *Marketing Mix*. It meant that firms were trying to achieve objectives that were set against four control items, which Mc Carthy named the "4 P's"¹.

1.1.2 The Marketing Function

Note¹ : Price, Product, Promotion and Place(= distribution channels). This notion of «4P's» was invented in 1960.

The notion of “Marketing Management” was also created around the same period. This is what led to the invention of the Marketing Function: A manager is appointed, who is in charge of controlling the mix of his range of products. Very often, he or she is responsible for margins, and in some cases, this Marketing Manager also supervises and influences the production and overall quality of his products. The third significant invention of that period is that of the “Marketing Plan”.

1.1.3 The Hey-day of the Consumer Society

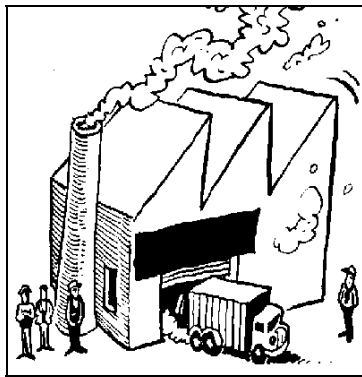


Figure 1: The rule of Say implies that industrial production is enough to generate a demand spontaneously

The understanding of the evolution of the economic society of the 1960's is very much dependent upon these factors. By increasing the weight of the Marketing function and by creating the Marketing Plan, the so-called ‘consumer Society’ was born. This society places the client at the core of the business. This is an evolution from being production-centred to becoming sales-centred.

This does not imply that the economy that prevailed during the industrial era was exclusively dedicated to producing goods. What it really means is that the emphasis was rather on production and that selling came afterwards. This principle is also described as the ‘rule of Say²’ and has led the way to do business in many cases (although its existence is contradicted by certain historians). To a certain extent, it is even still present today.

Mc Donald and Morris’s ³ excellent pictorial guide is a living proof of its continuing presence. This guide describes Marketing by opposing it to the pure industrial approach, some 30 years after the generalisation of Marketing throughout business practices.

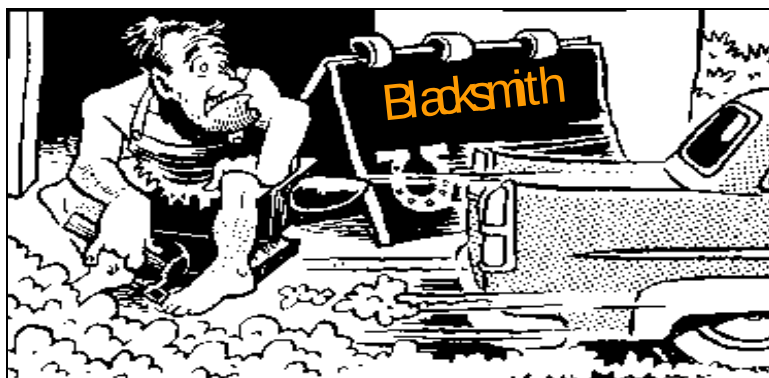


Figure 2: Illustrations taken from "The Marketing Plan", by Mc Donald & Morris - Heinemann - 1993

1.2 Complex Consumers and the Evolution of Society

Note²: Economic rule explaining that industrial production generates its own demand.

Note ³: Malcolm H B Mc Donald & Peter Morris, (1992), The Marketing Plan (A pictorial guide for Managers), Heinemann Professional Publishing, London

A renewed understanding of consumption is necessary. Applying yesterday's methods is of no avail today.

1.2.1 A New Economic Era

1.2.1.1 The Western Industrial Model

Significant changes are forewarning us about the evolution of the social and economic equilibrium of our society within the coming years. The current period is bringing a radical change with the transition period that stretched between the beginning of the century and the 1960's: That is to say from an economy that was directly issued from the industrial age to another, which was centred on consumption. This is what also contributed to the development of the domination of the western way of life, business-centred, throughout the world. As a consequence, the political and economical hegemony of the United States was reinforced, followed by a few European countries, and then by Japan. Wars hastened the pace and scope of these domination factors, whether it be World War II for the USA (and Germany, that benefited from the Marshall Plan), or the Korean War for Japan (1950-1953), with the American wish to make Japan a barrier towards communism.

1.2.1.2 "Turbo-capitalism"⁴

"Turbo-capitalism" is this phenomenon of acceleration of overall economic changes, based on frenetic consumption, deregulation of markets and States, extreme internationalisation, and the disappearance of an alternative ideology to capitalism (caused by the fall of communism in Eastern Europe). As a consequence, turbo-capitalism becomes, whether one likes it or not, the only choice of society that is available today and it is developing upon the deregulation of the International economic system.

This is not the first time that we are faced with a similar situation in the 20th century. Indeed, let us remember the dramatic experience of the economic crisis of the 1930's in America and the economical and political consequences it had on Europe (namely in Germany and Italy). However, factors of radicalisation and internationalisation of our economy, together with the increasing speed with which information travels (thanks to cross-frontier Information networks and the de-materialisation of currencies) are making these changes unavoidable and amazingly quicker. By the way, it is also virtually impossible for central governments to control and regulate these exchanges, even when the information being transferred represents money.

Certain economists and sociologists talk and write about the notion of paradigm shift, while others (See *The Economist*, February 11th 1995) are even mentioning the advent of a third industrial revolution⁵.

Edward Luttwak is issuing the following warning to the leaders of the French economy:

Note⁴: The expression "Turbo Capitalism" was borrowed from Edward Luttwak, American economist who is also the author of "The American Dream in Danger". Refer to Le Monde 4-5 June 1995, page 11. Note too that Edward Luttwak is also personal advisor to the American politician Newt Gingrich.

Note⁵: The Economist, 11 February 1995. See also Kurt Vonnegut, Player Piano, 1952, Laurel Books, Dell Publishing Group Inc.



Turbo-capitalism will reach France. If it arrives so early as to exceed people's abilities, then they will be hit very badly. In France, internationalisation is slowed down by the protectionism that is originating from both the European community and the State. But your country [France], is finding itself at the cross-roads.

Figure 3: Edward Luttwak 1.2.1.3 Jobshift



Figure 4: Cartoon published in *The Economist* (February 11th, 1995)

In his book entitled *Jobshift*⁶, William Bridges provides British Managers with a veritable “survival kit”. He describes the progressive disappearance of full-time, stable professional occupations. This is what he calls “de-jobbing”. According to him, “the job” is a relatively recent invention which can be traced back to the industrial revolution. He considers that it is now outmoded and threatened to disappear. Below are a few of the facts that underpin his conclusions:

Of the 25.5 million UK people employed in one way or another only 14.5 million (57 per cent) are still in traditional employment working full time for an employer. More than 6.6 million are part-timers, another 3.3 million are self-employed, and 1.4 million are ‘contract and casual’ workers.

This is followed by a survival check-list for the victims of “de-jobbing”. His advice is the following:

TIPS TO SURVIVAL

- *Be prepared, Assume your industry will be the first, not the last, to be de-jobbed. That way, you won't be caught unawares.*

Note⁶: *Jobshift*, William Bridges, Nicholas Brealey Publishing, 1995 (quoted in *British Midland In-flight Magazine*, May/June 1995)

- *Read the runes.* Constantly watch the way your industry and its technology is changing. IT in particular has been a driver behind de-jobbing and will continue to be a de-stabiliser.
- *Be businesslike.* Think of yourself as if you're in business for yourself, even if you are still an employee. Being a traditional loyal employee and, in return, expecting a job for life are no longer synonymous.
- *Get tough.* Learn to live with high levels of uncertainty. Find your security from within rather than from the outside.
- *Learn to say "no".* Contract workers and freelances find it difficult to turn work down, but you must set limits.
- *Be disciplined with money.* When it's you rather than a company that's looking after things like tax and pensions it's easy (and dangerous) to let things slip.

1.2.1.4 The tide is turning

French sociologist Alain Touraine underlines that we are going away from the "golden age" of the past thirty years, and that the next thirty years will form the "rotten age". Barry Smart's understanding of the situation revolves around the criticism of the notion of progress:

If the idea of progress now seems to be at bay it is probably because its crucial constitutive premises are the subject of doubt, if not disillusionment. The erosion of (i) a sense of common valued past; (ii) ideas about the superiority of Western civilisation; (iii) the desirability of the goal of economic growth; (iv) faith in scientific reason and knowledge; and (v) belief in the intrinsic value of secular, 'this-worldly', existence seems to invite the conclusion that the idea of progress is in peril, that the 'present is...a turmoil of understandable nostalgia, crippling indecision, and bewildering prospect' (Nisbet 1980, P. 329)⁷.

The combination of all these factors implies that the notion of chaos be familiar to everybody, although the understanding of this notion is not always consistent⁸.

1.2.2 A Choice of Society

For the French sociologist, philosopher and thinker Edgar Morin, creator of the notion of "complex thinking"⁹, the vision should be much wider than that. In his mind, there is an urgency to rethink the type of society that we live in, for it is almost entirely determined by economic choices. The human factor, and namely the social factor, are avoided by political forces, and he thinks that this is a mistake.

What good is it to treat unemployment, for instance, as if it were a pure economic factor, whereas everyone can observe, in his opinion, that there is a profound structural problem,

Note⁷: Barry Smart, 1992, Modern Conditions, Postmodern controversies, Routledge, London & New York, P 25.

Note⁸: The best way to refer to chaos is to link it to its meaning in Greek mythology, i.e. that of "Khaos", which was the state preceding the creation of the world. Chaos means neither disorder, let alone order, but a combination of the two (see note 11 on dual logic). It is therefore a state which is not immediately comprehensible, an apparent turmoil, from whence order will come one day, without knowing how and why at this moment.

Note⁹: A good introduction to "complex thinking" is Edgar Morin's book entitled "Introduction à la pensée complexe", published by ESF éditeurs, Paris 1992

rooted deep into the foundations of our society. The western society must therefore rethink its *modus operandi*, rather than believe that there is no alternative to a world based exclusively upon its economic exchanges.

The real problem that is underlined by Edgar Morin is in fact the first one that global policies should tackle, for fear very serious social malfunctions arise. Forewarnings of these symptoms are already cropping up here and there, be it in Los Angeles in 1992, Birmingham or the Paris suburbs.

It all comes back to the questioning of the vision that is required for tomorrow's society, and this is why Edgar Morin wrote an article about this absence of an alternative, during the French presidential elections of 1995¹⁰.

But the main dilemma is that this question should be posed at a global level. No State can afford to withdraw from turbo-capitalism, unless it practises ultimate protectionism. The problem is unavoidable. Will Edgar Morin's proposal be simply forgotten or will it impose itself automatically when the significance of social malfunctions becomes too obvious ? Last but not least, will a change of civilisation superimpose itself to the previous issue, therefore forcing a change of our type of society even more deeply ?

1.2.3 Complexity Hits Everyone

In a perpetually changing world, uncertainty is everywhere, and the time when a customer was yours and stable, is unfortunately over. Attitudes and behaviours are changing at a quickening pace, and fads are emerging at an amazing rate. Fashion cycles, which could take several years to impose themselves are occurring, in some cases, on a three month basis. Besides, the life span of these trends has also dramatically diminished. This is the end of a fashion-for-all spirit that prevailed in the 1960's through to the 1970's, and in its place, we can observe a superimposition of signs.

There is a shift from the 'either-or' to a reign of 'multiple options'. Eclecticism is king.

1.2.4 Seeking Authenticity

Even if these trends don't have the same effects with regards to the type of market you are looking at, what we want to emphasise here is that behaviours are becoming more and more volatile. The noise level of the media and the globalisation of the transmission of information have played a crucial role in the generalisation of these trends. It is now impossible to ignore the Californian roller-blades fad, whether you be located in Paris or anywhere else in Europe. Likewise, the latest Milan or Paris fashion will also be broadcasted in real-time all over the world at the time of its creation, therefore allowing for the general distribution of products and trends.

This is also impacting the quest for 'authenticity' that is so significant in the understanding of the new evolution within consumption and culture (development of the "New-Age", and arrival of shops from the "The Nature Company" chain everywhere in Europe, after the United States.). This new trend is being communicated through various channels such as the Microsoft network, Tv programmes or even Cable Television channels such as "Planète".

Note¹⁰: Edgar Morin, "Le discours absent" in Le Monde dated Saturday 22 April 1995, page 17.

By the same token, immediate authenticity is ubiquitous in the decoration of modern chains,



Figure 5: On-line databases, such as the Internet or Msn (Above) are good vehicles for new trends such as the New-Age. They are also good opportunities for understanding the sociological and cultural changes that are occurring.

and namely restaurants. In the space of a few weeks, a prefabricated 'restaurant' must impress its future patrons with an illusion of authenticity. This is true of certain franchises in France (Bistrot du boucher, Campanile, Interior's,...), and in Britain (Café Pasta, Caffé Uno, Old Orleans, Chiquito,...) and even on an International level: (with the 'Mexican' chain Chi Chi's for instance).

1.2.5 Towards

"Collective Individualisation" or How to Live with Complexity

Mail order companies are multiplying short term offers which enable them to propose something to their customers between two issues of their main catalogues. More and more travel agencies offer 'packaged "adventure" tours' (Explore World-Wide, Nouvelles frontières,...), therefore combining this quest for authenticity in remote places with the practice of alternative sports such as mountain biking. Last but not least is the creation of "individual packaged tours", where all transport, housing and legal formalities are being catered for, but where the customer can decide of the contents of his own trip.

This is a living example of dual logic¹¹, which is echoed in many other areas such as: Standardisation and customisation of products (in other words mass-customisation), increasing concern about the environment and increasing freedom to go anywhere, uniformity of ideologies (political correctness, positive discrimination..., conscious and unconscious) and claims for individual freedom,...

1.2.6 Conservative Marketing and Complex Customers

Note¹¹: 'Dual logic' is the coexistence of types of logic that are apparently contradictory. This notion is one of the three founding principles of "complex thinking" which are developed by Edgar Morin. These principles are also fundamental as regards Visionary Management and Marketing. Refer to Edgar Morin, Introduction à la pensée Complexe, ESF éditeur, Paris 1990, for more details on "complex thinking".



Figure 6: Customisation imposes a radical change towards one-to-one communication.

We are moving towards an extreme increase in the complexity of markets, such that it cannot be dealt with satisfactorily by conventional Marketing. The principles that were developed between the 1960's and the 1980's cannot help us grasp the situation anymore. This is what is described by Joël de Rosnay in his latest book¹²:

A myriad of niches are going to crop up. They will all be relevant to the wishes and needs of the few individuals that belong to them. Mass markets are going to evolve

towards customised markets to a point that was never reached before.

This phenomenon is also known as “mass-customisation”. French Marketing theorists Olivier Badot and Bernard Cova have used the following diagram in order to describe it:

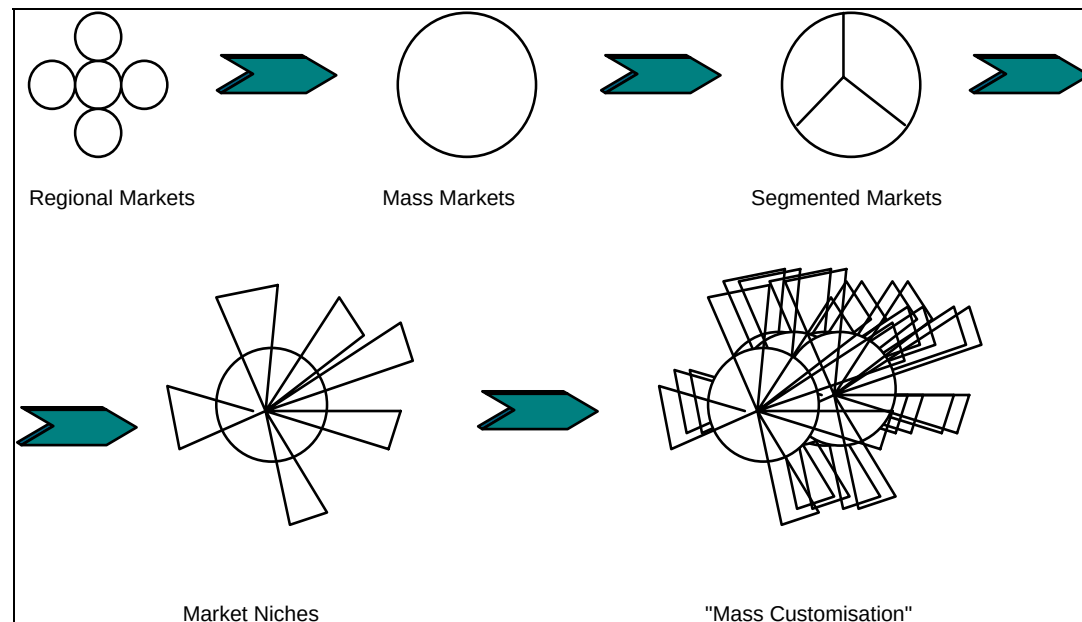


Figure 7: Towards a more “baroque” representation of consumption

After the advent of mass consumption in the 1960's (through mass-marketing) and of segmentation (1970's), and finally the notion of market niches in the 1980's, postmodern Marketing has moved towards a combination of all these methods. Examples of what we describe as mass-customisation are present in the automobile industry with the multiplication

Note¹²: Joël de Rosnay, L'homme symbiotique, regards sur le troisième millénaire, published by the éditions du Seuil, March 1995, p252. Joël de Rosnay, French scientist and writer is also the manager of the Paris-La Villette museum of Science and Technology. A management guru with his first successful book 'Le Macroscopie' in 1976, he described very early the facts that eventually led to the foundation of “complex thinking”.

of the variations in models: This is the subject that is developed by Peter Drucker in the March 1995 issue of the Harvard Business Review¹³:

In GM's case, the answer was long runs of mass-produced cars with a minimum of changes each model year, resulting in the largest number of uniform yearly models on the market at the lowest fixed cost per car.(...)

For 70 years this theory worked like a charm. Even in the depths of the Depression, GM never suffered a loss while steadily gaining market share. But in the late 70's, its assumptions about the market and about production became invalid. The market was fragmenting into highly volatile 'lifestyle' segments. Income became one factor among many in the buying decision, not the only one. At the same time, lean manufacturing created an economics of small scale. It made short runs and variations in models less costly and more profitable than long runs of uniform products.

Customers' behaviours are more and more complex, and their buying decisions are more and more fragmented. On the other hand, general topics such as ecology, for instance, tend to be massively accepted. Ecology, by the way, is at the source of the foundation of Anita Roddick's *The Body Shop*. Here are Philip Kotler's comments on this subject¹⁴:

In 1976, Anita Roddick opened the Body Shop in Brighton, England, and she now operates over 700 stores in 41 countries. The Body Shop's annual sales growth rate has been between 60 and 100%, reaching \$196 million in 1991, with pre-tax profits of \$34 million. Her company manufactures and sells natural ingredient-based cosmetics in simple and appealing recyclable packaging. The ingredients are largely plant-based and often sourced from developing countries to aid in their economic development. All the products are formulated without any animal testing. Her company donates a certain percentage of profits each year to animal rights groups, homeless shelters, Amnesty International, Save the Rain forest, and other social causes. Many customers patronise the Body Shop because they share these social concerns. Her employees and franchise owners are also very dedicated to social causes. According to Roddick: "I thought it was very important that my business concern itself not just with hair and skin preparations, but also with the community, the environment, and the big wide world beyond cosmetics.

The Body Shop is a striking example of a business whose vision went beyond immediate profit generation. Other companies have shown similar inclinations for social missions. This is the case for Marks & Spencer, whose primary mission was to reinforce England's middle classes and likewise for Nouvelles Frontières in France, the objective of which was to make travelling abroad more democratic.

However, it would be wrong to believe that Anita Roddick's proposition can be accepted identically in all European countries. For instance, the fight for animal rights, at the centre of the principles that guide The Body Shop, is perceived very differently whether you are in Britain, in France, let alone in Spain. Among other factors, this is namely due to the discrepancy of weights of the rural sectors in any of those locations.

Note¹³: *The Theory of the Business*, by Peter Drucker, Harvard Business Review, September-October 1994, Page 99

Note¹⁴: Philip Kotler, *Marketing Management*, eighth edition, Prentice Hall International Editions, 1994, Page 30

1.2.7 The Weight of Cultural and Social Factors

Management for the 21st century cannot be limited to the usage of a few business techniques.

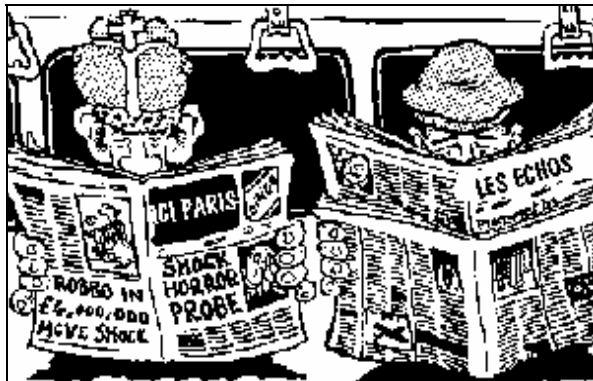


Figure 8: Culture, namely as conveyed by the media, is a crucial factor of understanding our society, and a great asset for business.

Management in the future will not succeed if the evolution of attitudes and behaviours is not taken into account.

1.2.7.1 Towards Uniformity?

Obvious examples of Americanisation in European life styles are to be combined with the generalised criticisms of that very Americanisation. Desperate attempts to 'protect' a culture, the influence of which is declining, are also a symptom of that ambiguity. An example of that is given by Jacques Toubon's¹⁵ endeavour

(doomed to failure) to legislate against the use of English phrases in the French language. But at the same time, in that country that is boasting about the refinement of its cuisine, the statistics show how important fast food outlets have become in the space of just ten years:

Name of the Group	Turnover in million Francs	Number of Restaurants
Mc Donald's (Subsidiary founded in 1983)	4123	240
Accor/Wagons-lits (Novotel, Mercure,...)	3683	350
Agapes Restauration	2300	142
Quick France (Fast-food chain; GB Inno, Belgium)	1800	155

Table 1: First four food providers in France (1992)

The yearly consumption of frozen foods per capita teaches us things too about European behaviours as compared to the United States. They also show the great variations from one country to another¹⁶.

1.2.7.2 Postindustrialism and the Postmodern¹⁷ Society

This ambiguity is one of the signs of the development of a post-industrial society, which has been commented upon at length by many an author, and for which we will describe the most striking trends¹⁸.

Note¹⁵: Jacques Toubon was Minister of Culture in France from 1993 till 1995

Note¹⁶: Source Quid 1994. 1990 figures.

Note¹⁷: Evolution of tastes at the end of the 20th century, which comprises an inclination to personal freedom, eclecticism and originality. It is therefore opposed to the typical severity of modernism.

Note¹⁸: Reference books on this topic: Georges Pérec (1965), Les Choses, René Julliard, Pocket, Barry Smart, 1992, Modern Conditions, Postmodern controversies, Routledge, London & New York, Olivier Badot & Bernard Cova, 1992, Le Néo Marketing, ESF Éditeur, Paris

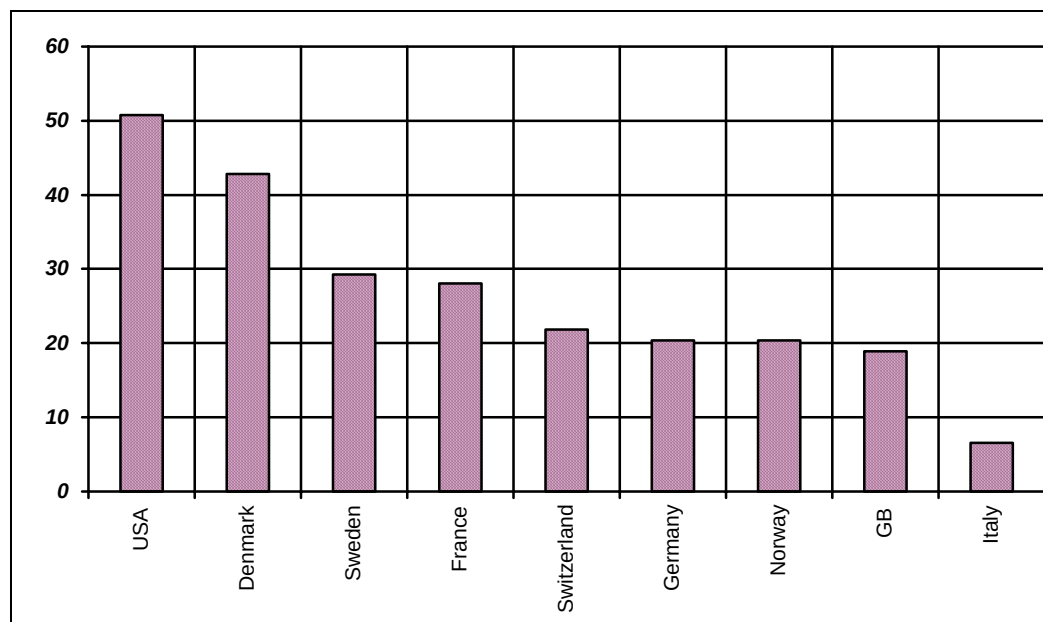


Figure 9: Annual consumption of frozen foods per capita in 1990

The notion of postmodernism sprouted with an artistic movement that prevailed in and after 1979. It was also discussed by French philosophers Baudrillard and Foucault. By and large, postmodernism manifests itself with a come-back of tradition in Art (non figurative painting, neo-classicism and repetitive music¹⁹). One of the examples of a return of realism in Art is the Pop Art²⁰ movement, where Andy Warhol grew famous by reproducing a tin of Campbell's soup.



Figure 10: Andy Warhol's celebrated tin of Campbell's soup

1.2.7.3 Globalisation and Growing Complexity

Copying is not enough. Adapting the latest fad from the US to one of our markets will not prevent a foreign competitor with International alliances from providing a similar product or service at a better price, or even with a higher standard of customer service. European markets are open to all, and with little chance of coming back to the ancient comfort of protectionism.

Talking about the globalisation of our economy has become extremely commonplace today. And yet, very few are the firms - namely in France - that have understood the deep change of configuration of this economic background. At best, certain businesses will organise a surveillance of international markets in order to replicate and adapt certain ideas that they can observe abroad.

This is a serious mistake. In order to succeed on International markets, adopting an international state of mind has become indispensable. Here is an account of Philip Kotler's

Note¹⁹: 2 examples of repetitive music scores: Steve Reich - Trains - and Philip Glass & Bob Wilson - Einstein on the Beach.

Note²⁰: Refer to Andy Warhol's and David Hockney's works. They are also visible through the virtual museums of the world-wide web.

comment on the subject as quoted in the eighth edition of his reference book on Marketing Management²¹:

Most companies design their new products to sell primarily in the domestic market. Then if the product does well, the company considers exporting the product to neighbouring countries or the world market, redesigning it if necessary. Cooper and Kleinschmidt, in their study of industrial products, found that domestic products designed solely for the domestic market tend to show a high failure rate, low market share, and low growth. Yet, this is the most popular orientation of companies when they design new products. On the other hand, products that are designed for the world market - or at least to include neighbouring countries - achieve significantly more profits, both at home and abroad. Yet only 17% of the products in the Copper/Kleinschmidt study were designed with this orientation. Their conclusion is that companies could achieve a higher rate of new-product success if they adopted an international focus in designing and developing their new products. They would be more careful in naming the product, choosing the materials, designing its features, and so on, and subsequent alterations would be less costly.

This information is invaluable. If we take the beer market as an example, complexity is overwhelming: Throughout Europe, behaviours regarding beer-drinking are extremely varied. This is true of the quantities and the types of beer that are drunk in these various countries, and also of packaging, prices, distribution channels (and the ownership of those channels), brand images, special taxes, VAT, and even of the level of concentration within the industry²².

1.2.8 The postmodern Society

1.2.8.1 Attitudes and Behaviours

As a consequence, it would be wrong to think that the trend of uniformity that we observe implies that all differences will subside. Although, on the face of it, behaviours tend to become more and more similar, attitudes remain very different. In a word, these cultural differences are becoming more and more of an intimate factor, and therefore are increasingly difficult to analyse, understand and decode. Few apparent elements can help differentiate young Europeans from one another. They all have almost the same appearance; fashion, clothes, the music that they listen to are all more or less standardised. But mentalities, the approach to all these subjects, their deep identity and their myths will vary from country to country, from one social group to another, from one ethnic group to the other. A French sociologist named Michel Mafesolli created the notion of “elective Tribe” in order to show how fragmented our western society has become.

Note ²¹: Source: Robert Cooper & Elko Kleinschmidt in *New products: The key factors in success* (Chicago: American Marketing Association, 1990) quoted in ‘Marketing Management’ by Philip Kotler, p 345)

Note²²: *Exploring Corporate Strategy, Text and Cases*, Gerry Johnson and Kevan Scholes, Third Edition, Prentice Hall, 1993, Page 444

Certain writers have described the consequences of this phenomenon upon consumption. They have defined it as “maieutical”²³ consumption. This means that people purchasing goods or services do so not just to possess things, but also to give meaning to their lives²⁴.

As a consequence, it does not make any sense to consider buying behaviours outside of their cultural context. As a matter of fact, one can compare that to the attempt to impose “constructed languages”²⁵ to the masses (e.g. Shleyer’s Volapük²⁶, or even the slightly more successful Esperanto). These languages were devoid of any cultural meaning, and therefore their generalisation did not stand a chance.

Trying to impose products and services today without taking these cultural elements into account would also lead to almost certain failure.

F Gauthey²⁷ provides a table that sums up Europe’s main cultural traits and differences.

Table 2: Table of European contrasts

Note: Grey areas represent countries where behaviour/attitudes are mixed

	Gr ee ce	Por tu gal	Sp ain	Ital y	Fr an ce	Be lgi um	Ger man y	Ho lla nd	Den mar k	Eng land	Ire land
1. Thinking mode:											
Induction (I) or Deduction (D)	D	D	D	D	D	D	D	I	I	I	D
2. How communication is done:											
Implicitly (I) or Explicitly (E)	I	I	I	I	I	E	E	E	E	I	I
3. Time Management:											
Monochronism (M) Polychronism (P)	P	P	P	P			M	M	M	M	P
4. Expression of Emotion:											
Low (L) or High (H)	H	H	H	H			L	L	L	L	L
5. Orientation of values:											
Work (W) or Quality of life (Q)	Q	Q	Q	Q	Q	Q	W	W	W	W	Q
6. Main religion:											
Protestant (P) or Catholic/Orthodox	C	C	C	C	C	C	P	P	P	P	C
7. Social values:											

Note²³: Maieutic also maieutical adjective: Of or relating to the aspect of the Socratic method that induces a respondent to formulate latent concepts through a dialectic or logical sequence of questions. [Greek maieutikos, from maieuesthai, to act as midwife, from maia, midwife, nurse.]. Source: The American Heritage® Dictionary of the English Language,

Note²⁴: The notion of elective ‘tribe’ was borrowed from Michel Maffesoli - Le temps des tribus (le déclin de l’individualisme dans les sociétés modernes) - Méridiens Klincksieck, 1988

Note²⁵: John Edwards, 1994, Multilingualism, Routledge, London & New York.

Note²⁶: Volapük (Vol, alteration of World, a for the genitive case in Slavic languages, pük alteration of speak), constructed language invented by German priest Johan Martin Schleyer. In 1880, there were hundreds of clubs dedicated to Volapük and about 500,000 adepts.

Note²⁷: F. Gauthey, I Ratiu, I. Rodgers, D. Xardel, Leaders without frontiers, Mc-Graw Hill, 1988.

Table of European contrasts (Continued)

Note: Grey areas represent countries where behaviour/attitudes are mixed

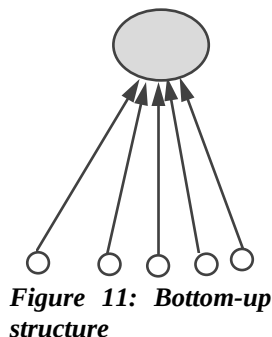
	Gr ee ce	Por tu gal	Spain	Italy	France	Bel gi um	Ger m an y	Hol land	Den mark	Eng land	Ire land
Formal (F) or Informal (I)	I	F	F	F	F	F	F	I	I		I
8. Attitude towards Time:											
Monochronism (M) or Polychronism (P)	P	P	P	P		M	M	M	M	M	P
9. Attitude towards Change:											
Conservative (C) or Reformatory (R)	C	C	C				C	R	R	C	C
10. Importance of the Hierarchy:											
High (H) or Low (L)	H	H	H	H	H	H	H	L	L	L	H
11. Social cohesion:											
High (H) or Low (L)	H	L	L				H	H	H	L	H
12. Centralisation:											
High (H) or Low (L)	H	H		L	H	L	L	L	L	L	L
13. Mobility within Social Classes:											
High (H) or Low (L)	L	L	L	L		H	H	H	H	L	L
14. Economic Development:											
High (H) or Low (L)		L		H	H	H	H	H	H	H	
15. Legal System based mainly on:											
Law code (L) or Cases (C)	L	L	L	L	L	L	L	L	L	C	C
16. Submission to other States											
Until 15th century: High (H) or Low (L)	H	H		H	L	L	L	L	L	L	H
17. Domination of other Nations in Past											
High (H) or Low (L)	L	H	H	L	H	H		L	H	L	

1.2.8.2 The Structural Evolution of Society

1.2.8.2.1 The advent of self organised structures: Webs

Change does not concern businesses exclusively. In fact it is difficult not to link the evolution of firms to the organisation of our society. Indeed, this change of structure is crucial for the understanding of individual behaviours, and eventually, for what we will describe later as Visionary Marketing.

1.2.8.2.1.1 Top-down structure

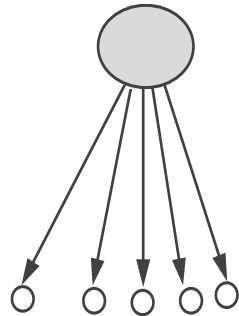


The top-down type of structure is purely traditional. It can be typically compared to a pyramid representing authority. The symbol of such a structure is the organisation-chart, and power is always associated with the top of the structure. This type of structure is deeply criticised for it is anti-democratic and therefore tends to ignore points of views issued from the shop-floor, however relevant they may be. This is true of organisations, and of nations too. As a matter of fact, the efficiency of parliamentary systems is questioned more and more by all citizens, who have the feeling of being cut off from the decision process. This is the case in Italy, where the rejection of this fact has led to a dramatic increase in the practice of referendums (up to twelve at a time in a 1994 ballot). A similar system is also under evaluation in France. However,

a great number of difficulties arise for it is rather awkward to sum up the opinions of almost 60 million people, mainly when the subject is very complex, and requires several days of parliamentary debates. At the end of the day, the result of a referendum cannot be anything but yes or no, which is rather inconsistent with the complexity of the questions to which this binary response is referring.

1.2.8.2.1.2 The bottom-up structure

Empowerment is a phenomenon that developed at the end of the 1980's and is still lingering on today. With such a system, the human being is valued and is considered as the player of a crucial role. Personal initiative is encouraged, and also the fact that employees should take it upon themselves to improve the service that they provide to their customers. However, this system is often misunderstood, or even found suspicious by the field, and it is very difficult to implement. The main problem for its implementation being that it is difficult to decree that people must be free and inventive.



The Figure 12: Top-down structure

1.2.8.2.1.3 The WEB structure

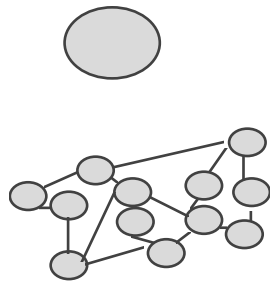


Figure 13: Web structure

There is no formal model of a web structure and yet, most large organisations and most States are evolving towards such a structure. The English philosopher Nick Land²⁸ even remarked that this phenomenon was also affecting computers and networks such as the Internet²⁹. The Web structure is a cause for more freedom and more autonomy through the creation of cross-hierarchical workgroups or projects; teleworking; the transformation of employees into contractors,...It also

stresses a number of difficulties when it comes to control and communication. The latter causes are key to today's most commonplace Management problems.

1.2.8.2.2 A "revolution" that can be compared to the invention of the printing press

Charles Handy, who invented the notion of "virtual organisation"³⁰ thinks that we are undergoing a cultural revolution at least as important as the one due to the invention of the printing press. His explanation is straightforward: Gutenberg's invention had made it possible for the masses to read the Bible in their own language. As a consequence, it was no longer necessary to go to church for them to form their own opinions on God, religion and moral. After a few centuries, this has led to the separation of Church and State (not all democracies have done so though), and the almost complete loss of power of the Church. It

Note²⁸: Channel 4 TV - Visions of Heaven & Hell - January-February 1995.

Note²⁹: The World-Wide Web is the main vehicle for information on the Internet, and it played a crucial role in the considerable increase of interest by the public.

Note³⁰: Charles Handy - The Age of Reason - Harvard Business School Press and "Trust and the Virtual Organization" in the Harvard Business Review, May-June 1995, Page 40.

has also made it easy for everyone to gain access to culture, whereas it used to be open to only the rich and mighty. According to Charles Handy, the revolution that was triggered by the association of the telephone and the computer, and the development of networks, makes it possible for anyone to go global from their own homes. The impact of this on culture and knowledge is immense, for it is now unthinkable for an event to occur without the rest of the planet knowing about it.

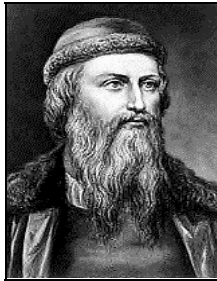


Figure 14: Johannes Gensfleisch, a.k.a Gutenberg (1400?-1468?). Inventor of the movable type and the Mazarin Bible

For instance, in the former Soviet Union, although secret services continue to deny their scientists the right to travel abroad, nothing can prevent confidential information from being circulated. Indeed, all of these scientists have an Internet access on their personal computers, and it is therefore very easy for them to communicate with the outside world (with no control), via the Email of the biggest “network” in the world (nearly 40 million potential users at the end of 1995).

1.2.8.3 The Evolution of Power Structures

The three traditional sources of authority were described by Max Weber³¹. The questioning of all these factors could well lead to some profound social changes.

1.2.8.3.1 The traditional source of authority

Tradition has always designated those who were granted authority. In our western societies, this tradition is less and less taken into account.

- The old do not represent authority anymore. Their points of views are not valued and referred to systematically either, as they used to. Most of the time, they are not living with their families, or even relatives, but instead, they are made to behave more childishly, being grouped together in homes. They are taken away from society, and therefore have lost the role that they traditionally played.
- Fathers do not always represent authority anymore either. The first reason for this is the loss of status of men in the western society on the one hand, and also the alteration of family structures on the other hand. New families break up more frequently and are often rebuilt around a foster-father. In the black community of Great Britain there are more and more of these “Baby Fathers”. “Baby Fathers” have children, but they do not raise them, as they leave their family homes just before or after the babies are born. They are playing a man’s role, without having to assume any fatherly responsibility. Such behaviours are also encouraged, by the way, by their partners.

1.2.8.3.2 The legal source of authority

The legal source of authority is more and more questioned too (re the protest that followed little James Bulger’s assassination in Britain in 1993, or the anti drink & drive lobby in France. The latter are trying to impose general interest measures that the State proves unable to enforce). For justice is slow, and often perceived as

Note³¹: Max Weber, German economist and sociologist (1864-1920).

helpless and bureaucratic. Jails are its main instrument, but they are overcrowded and seem to be unable to solve the crime problem.

1.2.8.3.3 The Charismatic Source of Authority

Charisma is the third source of authority identified by Max Weber. However it is a fact that few actual leaders are emerging at this time of intense changes. Confidence in politicians is at its lowest, for there is little hope amongst the population that yesterday's methods might help solve today's issues. This is applicable to organisations too. Down-sizing and re-engineering only are not valid policies for firms, and managers are seeking to develop their corporate identities and play upon the human factor instead³².

1.2.8.4 The Transformation of Behaviours: Characteristics of the Post-modern Individual³³

The notion of "post-modernism" is derived from the name of a cultural movement that prevailed around 1979. This movement aimed at putting an end to innovation at all cost. The postmodern individual can be described with the seven following characteristics:

1.2.8.4.1 Individualism and voluntarism

These values are based upon the necessity for people to make decisions for themselves rather than wait for actions from the outside. Because of the lack of resolution of the economic crisis since 1976, individuals fend for themselves and try to bring their own solutions to uncertainty. Voluntarism has been represented by Margaret Thatcher in Britain in the 1980's, and by self-made tycoon Bernard Tapie in France around 1987-1988. In Britain, Virgin's Richard Branson is a very vivid figurehead of voluntarism. Branson, a promoter of deregulation and of personal initiative as opposed to multinationals, increased his popularity in Britain thanks to his successful legal action versus British Airways with the so-called "dirty-tricks campaign").

Virgin's presence is reinforced by the launch of products and services on various markets which have - in a sense - little to do with one another ("Indie" record label in the 1970's, transatlantic airline in the 1980's, personal computers, coke and vodka in 1994, and financial services in 1995).

1.2.8.4.2 From "Either, or" to Multiple Choices

There is a significant increase in personal freedom, constraints are avoided and people also seek a widening of the range of possible choices. Eclecticism has become the rule, and therefore, anything is permitted in its name. This is the symptom of the prevailing anguish that is felt when it comes to thinking about the future; individuals therefore tend to invest more into the cult of the past and the present (see paragraph 0 for a description of "immediate authenticity").

1.2.8.4.3 Elective "tribes" and micro-societies

Postmodern individuals are leaving mass movements, whether they be religious or political. Although they are more individualistic, they also join short-lived "tribes", where sensualism and sensitivity are the most prominent guiding factors. They can move from one of these "tribes" to another very easily. This is the limit to the fierce

Note³²: Built to Last, Collins & Porras, Harper Business, NYC 1994

Note³³: Olivier Badot and Bernard Cova, 1992

individualism that we have described above. It is therefore becoming more and more difficult to pigeon-hole these individuals.

This is the reign of 'Chaos Culture', where anything is as good as anything else, and anyone is as good as anyone else. It is the victory of the senses over the mind. See point 0 about the 'New-age'.

1.2.8.4.4 The prominence of fashion

Through the production of short-lived signs (fads), fashion is playing a central role at all levels of consumption. This was witnessed by dramatist Eugene Ionesco in an interview he gave to the French magazine *L'Express*³⁴:

At the Théâtre de la Huchette, we have just celebrated 33 years of continuous success for my plays La Cantatrice Chauve and Rhinoceros. I had the pleasant surprise to discover how up-to-date the subject of these plays was. But the danger that I was describing at that time - totalitarianism - has evolved. My rhinoceros have become enraged, contaminated by fashion and catch-phrases.

1.2.8.4.5 Moral and Puritanism are back

Bernard Cathelat describes this phenomenon as part of his latest sociological study of the life-styles of the French population.

1.2.9 Getting to Grips with the Complexity of Customers

The result is that it is no longer possible to handle today's customers in the way that we used to. Our approach to Marketing and to Customers (complex by essence) has to change.

Indeed, could we envisage to ask a modern advertising manager to give up his commercials based upon pleasure and sensorialism, in order to revert to the type of advertising that prevailed in the 1940's? Firstly, there is the need to place the customer at the centre of his community (or even his "tribe", if we want to use French sociologist Michel Maffesoli's terminology). Secondly, there has to be an overall understanding of the situation, in order to grasp the current state of disorder that consumption finds itself in at the moment³⁵. This apparent disorder, which transforms yesterday's successful products (or "stars" to use the terminology invented by the Boston Consulting Group), into tomorrow's failure (or "dogs" or "dilemmas"), is entirely linked to this increase in complexity of markets, internationalisation and individuals themselves. This is what brings us to our next chapter, which describes the current and future changes that have impacted Marketing Management.

2. Trends in the Evolution of Marketing Management Towards the 21st Century

Note³⁴: *L'Express Paris (special edition), January 1991*

Note³⁵: On 'Tribal Marketing', read the French Journal of Marketing: *Revue Française du Marketing*, n° 151, 1995/1, Olivier Badot et Bernard Cova. *Communauté et consommation: prospective pour un «marketing tribal»* p6.

2.1 Introduction

In fact, it would be wrong to think that after 1960, all western companies, and namely European, had decided to apply the rules of Marketing such as described by Mc Carthy, Kotler or other management consultants. Above all, this phenomenon was not used identically throughout the world, and there also were serious discrepancies from one sector of the economy to the other.

2.2 “Scientific” Marketing

Orientations concerning Marketing Management varied greatly from one country to another, under the influence of local cultural preferences. The significant weight of School and of University in France and the influence - sometimes out of proportion - that Mathematics has had over the years, explains why so many books on statistics were written. In those books, from the mid 1970's to the mid 1980's, some very elaborate quantitative methods were developed, and Marketing was made more and more scientific or pseudo-scientific.

The other end of the spectrum of Marketing research is formed with the development of semantic groups and other techniques for interviewing groups or individuals, which are based upon principles issued from social sciences and psychology. However, applying such methods is often more difficult than it seems and often, buzz-words are enough to hide the absence of true analysis. This is described very realistically by French author Georges Pérec in his book entitled *Les Choses*. In this book, Pérec describes the life of a young Parisian couple who work in Market research, and who specialised in semantic groups.

Below is a brief passage translated from this book:

...And they went across the country, with a tape recorder that they had brought with them. Some of their more experienced colleagues had taught them some of the techniques of closed and open questions, which prove less difficult than one may think. They learned how to make others talk, and how to be careful with their own words. Under false hesitations, beyond vague allusions and confused silences, they learned to detect what was worth exploring. They became experts in “hum”, real magical intonation, thanks to which the interviewer is punctuating the interviewee's speech. With it, the interviewee can be made to feel more confident, understood, encouraged, or even threatened sometimes. Their results were reasonably satisfactory. They kept on working. They collected all the scraps of sociology, psychology or statistics that they could. They learned the language of signs, the tricks that helped: A certain way for Sylvie to put on or take off her glasses, a certain way of making notes, or leaf through a report, a manner of speaking, (...) a way of quoting authors at the right time: Wright Mills, William Whyte, or even better, Lazarsfeld, Cantril or Herbert Hyman, although their reading of their works had not gone beyond the first three pages³⁶.

2.3

Note³⁶ : Georges Pérec, *Les Choses*

The Evolution in Buyer Behaviour

2.3.1 Conventional Models

Conventional models of understanding of buyer behaviour do not take sufficiently the environment (i.e. beyond the market) into account. Howard and Sheth's famous model is shown in Figure 15.

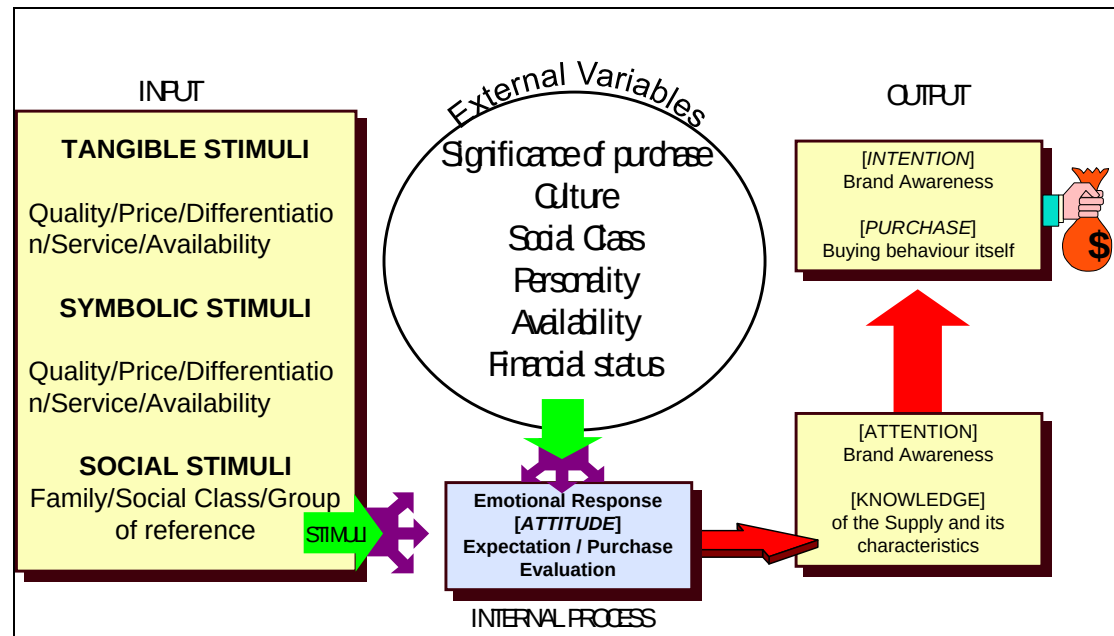


Figure 15: Howard & Sheth's buyer behaviour model

Although it is the most pragmatic of those models, its usage actually raises important questions as to its practical application. For instance, the number of concepts that are incorporated within the model makes it very difficult for one to verify them all.

2.3.2 The New Explanations

André Micaleff³⁷ has managed to summarise the societal and the systemic approaches of buyer behaviour:

Even if it seems to be difficult to measure buying intentions, they are at the centre of the behavioural chain. This does not mean that individual actions should not be placed in their social context and in a set of collective behaviours.

2.4 Marketing Management and the Economic Crisis

2.4.1 How Marketing is perceived by top managers

The current economic crisis has been more or less present since the middle of the 1970's and this period has helped to point out which were the strengths and weaknesses of Marketing Management.

Below are the replies of a panel of 236 of Fortune's 1000 CEO's to the following question: "Which of the following activities is the most important in your eyes ?":

Note³⁷: André Micaleff, 1992 page 14.

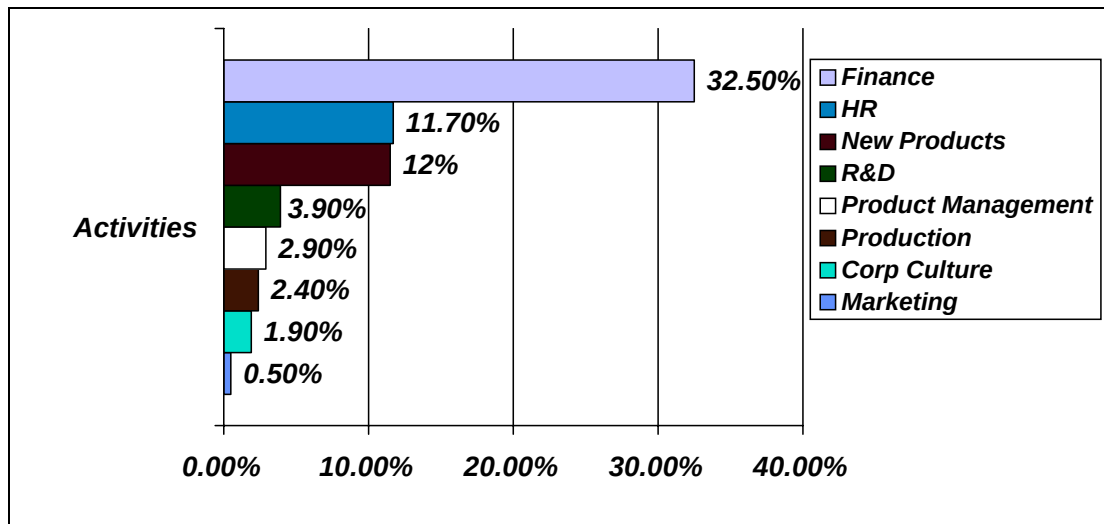


Figure 16: Survey carried out by Texas Hise & Mc Daniel - 1988³⁸

As we one see, Marketing has suffered a lot in the 1980's, but it is undergoing a sort of revival, as shown in the press: "The Marketing function is going through a renewal. New positions are being offered again, whereas most organisations had virtually ceased to hire any personnel"³⁹.

Yet, this is mostly aimed at a new category of personnel as these new positions are closer to Sales promotion than Marketing Management proper. This is what we could describe as operational Marketing.

2.4.2 Is there a Role for Marketing ?

However, the high proportion of failure at the time of the launch of a product (80%) is a living proof that there is a real need for Marketing. But this need must be accompanied by a deep change in approaches, so that the "societal" factors that we exposed earlier can be taken into account, and the negative perception of Marketing can be fought. At the same time, it has to address that need for immediate return on investment, in order to preserve its credibility.

Marketing management needs to be re-marketed in a manner of speaking, and it needs to be positioned against the rest of Management techniques.

2.5 A Need for a Different Kind of Marketing

Organisations will then have a growing need for marketing. But the evolution of our society on the one hand, and the past experiences on the other hand, have forced an evolution on that discipline. It will still evolve significantly in the next few years. It is not possible as yet to describe precisely what Marketing will be in the future, but we can present the main trends of those changes, this is what we will call later *Visionary Marketing*.

2.6 Unpredictability, Planning and "hyper-instability"

In a stable environment or a segment of this environment (i.e. what concerns its actors, interactions, its behaviours, the emergence of new trends,...) using action planning as the

Note ³⁸: O. Badot and B. Cova, 1992

Note ³⁹: *Le Figaro économie*, 23 January 1995

basis for corporate strategy makes great sense. In that case, the observation of the environment which is one of the basics of strategic marketing, has little visibility by the company's top Management.

But this vision of an orderly world and the assumption of predictability of events does not match reality, and this is becoming more and more obvious to everyone. The evolution of our understanding of social and economic changes emphasises the presence of what can be described as 'hyper-instability'. One can observe the growing complexity of the interactions of the various components of this environment, the uncertainty as to the prediction of future events, and the acceleration of changes in new technologies and behaviours.

For organisations, survival means that exchanges with the outside world must be increased. As a consequence, the way that the company is run is directly dependant on the ambient instability. The need for organisations to have a marketing approach appears naturally when you consider an enterprise as an open system which has multiple relationships with its changing environment. The necessary information is required in order to allow the permanent anticipation and extreme reactivity to changes. This information will be crucial when it comes to making decisions. An organisation that poses the right questions and has the right information before its competitors can increase its chances.

One must be open to the world so as to increase customer satisfaction and moreover, to create and adapt constantly one's products and services to future needs. Complex customers must therefore be perceived as the obligatory partners to corporate creativity, development and success.

2.7 Future Trends in Marketing Management

It is also necessary to reposition Marketing against the size and the nature of the business that it is applied to. There are several kinds of Marketing that we must describe and understand. Marketing must address the needs to bridge the gap created by the current lack of stability which prevails in our technology and in our society.

The conjunction of the effects of economic, technological, political and cultural crises upon the entirety of society has generated unsettled behaviours on the part of both individuals, social and economic groups. This is what justifies that Marketing (and its actors) is under the growing influence of amazingly strong pressure factors.

2.7.1 The Change of Shape of Marketing Today

Marketing Management is evolving towards a multiplicity of disciplines which tend to be more specific and innovative⁴⁰. This has led to an increasing level of specialisation of the actors of Marketing. The development of this trend is leading to a matrix which combines the scope of Marketing (fashion, industry, suppliers, clients,...), the line of business and the geographical zones where Marketing applies.

Note⁴⁰: Industrial Marketing, internal Marketing, fashion Marketing, non commercial Marketing,...

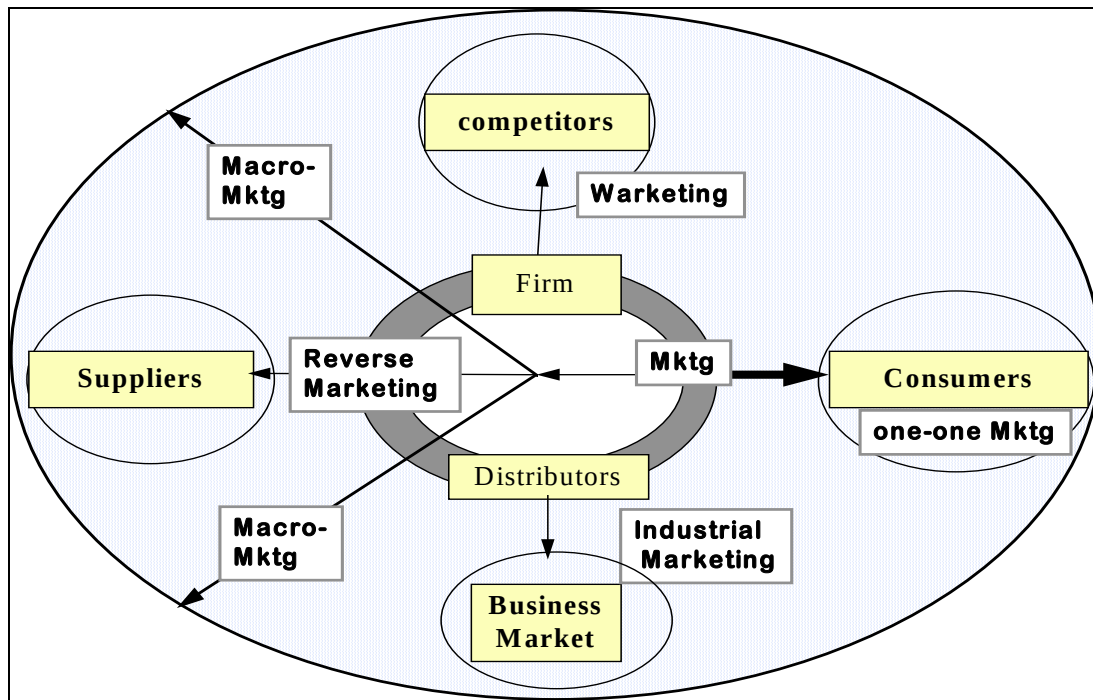


Figure 17: The evolution of Marketing today (Badot & Cova, 1992)

2.7.1.1 Reverse Marketing

Reverse Marketing is that type of Marketing that refers not to a firm's customers, but to its suppliers. It is to be opposed to conventional Marketing which is strictly sales orientated, or even to strategic Marketing, which caters for the corporate approach to a market. Because of a highly unstable environment, organisations are more and more inclined to improve their profitability. This is what implies that buyers play a greater role than ever before. Two different approaches are possible in order to improve the relationship between buyers and suppliers. With the first approach (reverse Marketing proper), the buyer is actually leading the way, by way of propositions that he sends to his suppliers. His aim has both short term and long term grounds. The second approach (relational Marketing) implies that the purchasing function is perceived as the means to manage the firm's network of resources: The buyer will work upon long term objectives leading to the creation of a network of efficient suppliers thanks to the development of special relationships with them, and on the basis of co-operation.

To summarise briefly, 'reverse Marketing' is opposed to the conventional reactive approach of purchasing (therefore allowing a 'creative offer') whereas 'relational Marketing' is based upon an interactive attitude which facilitates exchanges in the relationship of buyers with their existing suppliers. When salesmanship was at the core of Marketing Management, the role of the sales person was more important than that of the purchaser; whereas in an economy based on turmoil, the function of buyers now appears as more strategic than ever before, and it is relying on a more active relationship between clients and suppliers.

The overlap between the sales and purchase functions is at the outset of the invention of the two notions of 'creative offer' and 'sourcing'. The 'creative offer' is a concept which is central to reverse Marketing in so far as buyers can propose a complete solution to their suppliers. The main phases that make up the process of 'creative offer' are the following: The understanding of the history and the specification of the requirements, the collection of information upon the would-be supplier, the design of the offer, the negotiation and the follow-up of the contract. The basis of this approach is to make the most of the adaptability

of a supplier through constant innovation. This new relationship between providers and buyers is based upon long-term strategies and a spirit of partnership. 'Sourcing' makes it possible to optimise this process thanks to the identification of possible supply-sources of both in tangible terms (products, raw materials, etc.) and intangible terms (patents, know-how, potential partnerships,...). The stress will be laid upon quality control within that 'source'.

Thanks to the exchange of information with other companies, or by resorting to specialised consultants, organisations try to save time with their research, namely when the scope is International.

2.7.1.2 Micro-marketing

Micro-marketing can be described as a shift of focus of Marketing, as it is moving away from a target which is a group of consumers within a given market, and it is taking a position where it is aiming at consumers as individuals.

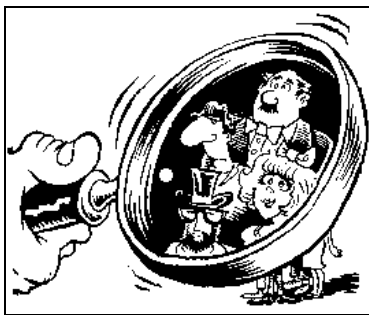


Figure 18: Being as close to the consumer as possible

Micro-marketing implies that one be very close to the consumer through micro-marketing surveys on the one hand, and through the fine-tuning of the Marketing mix. This means that both price and product policies have to become highly segmented and very precisely targeted. The growing uncertainty and lack of stability of the economic environment has imposed an evolution in the techniques of marketing towards what has been named 'one-to-one marketing'⁴¹ or 'relationship marketing'⁴². What it means is that the demand (from retailers, buyers and consumers) has to be analysed much more thoroughly than what can be achieved with conventional market survey techniques.

The emergence and the mastering of new information technologies such as database management have allowed organisations to acquire and use more and more dense knowledge-databases in terms of customer behaviour. Following the same principle of intimacy with consumers, many a great market survey is evolving towards a greater usage of qualitative techniques. This makes it possible to perceive micro-segments based on trends that cannot be measured by conventional market surveys. These techniques are based upon the continuous and detailed control of individuals either at the time of purchase or consumption. But the most significant of these changes are impacting sales promotion and communication. These two functions aim at unsettling and surprising consumers on the one hand, and on the other hand, at ensuring that their 'communicational' environment is used in a comprehensive manner.

In fact, the main benefits brought forward by micro-marketing at both ends of the supply and demand spectrum are the following: Fast reaction, customisation of products, interactivity, sharing of resources and acquisition of expertise in the area of the perception of the rapid changes in consumer behaviour.

2.7.1.3 Industrial Marketing

Industrial Marketing is also known as Business-to Business Marketing, and it concerns the links between buyers and suppliers in the industry. The relationship between buyers and

Note⁴¹: Pepper, 1990

Note⁴²: Mc Kenna, 1991

customers is made increasingly complex because of the advent of centralised purchasing and selling approaches, and also by the multiplicity of their contacts, whether it be for business or outside business.

Industrial Marketing used to focus upon the general understanding of the interaction between buyers and suppliers, but it is now evolving towards new approaches, with a sociological, political and even post-industrial flavour.

One of the first consequences of the emergence of these new approaches was the questioning of the application of the conventional concept of Marketing Mix to the industrial world. On the one hand, the mix can be described as the simple combination of four variables that are being controlled by the organisation in order to provoke individual reactions on a given market composed of relatively passive consumers. On the other hand, in most industries, one can perceive a set of complex short term and long term decision factors which involve a great variety of departments.

There will be an attempt to manage close relationships with the central purchasers of a very narrow market. The industrial market process consists of five steps which enable marketeers to manage these relationships, and that are based upon the internal and external environment of the supplier:

1. Training,
2. Communication (from general publications to the invitation to tender),
3. Organisation & processes (Namely technical and sales contacts, staffing and processes that will support the relationship with the client),
4. Setting up Marketing campaigns,
5. Financial & human resources that are the basis for personal contacts with the client's buyers.

The second major consequence of those new industrial Marketing approaches is that the art of negotiation is occupying a central position again. Negotiation is becoming the obligatory vehicle for a joint definition of the requirements, and the solutions that have to be developed.

The third major consequence is that industrial Marketing is not based on the sole client/buyer relationship anymore. Instead, it focuses on the whole network that the organisation has been able to set up in order to adapt to its environment in the long term. This is what can be described as a 'Network approach', where the significance of social assets are becoming more important than the sole economic factors.

2.7.1.4 'Warketing'

Warketing can be described as the application of military theories to Marketing, which implies a different manner of tackling competition. The main discrepancy between conventional Marketing and strategic Marketing (which contains Warketing) lies within the type of the relationship, i.e: The firm and its market for conventional Marketing; the firm, its market and competition when it comes to strategic Marketing.

In other words, whereas conventional Marketing will aim at performing well within a given market, strategic marketing will endeavour to generate a competitive advantage. The reason

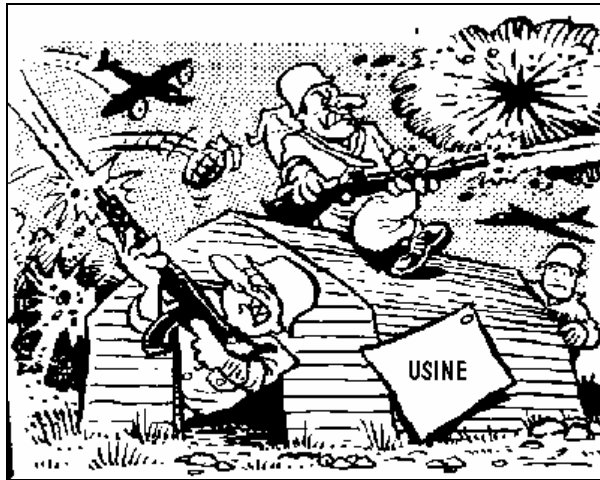


Figure 19: *Marketing sometimes means spying on one's competitors*

for this change is that the current economy imposes more dynamism in Marketing, and therefore the creation of new markets. Marketing has enabled the development of 3 concepts:

1. Product positioning
2. Competitive strategies
3. Marketing Intelligence Systems

The concept of positioning is focusing on the need for a product or a company to represent something precise in a consumer's mind, and it lays an important stress on strategies of differentiation.

Companies may adopt defending strategies (mobile or static defence, preventive defence, counter-attack, or strategic withdrawal) or offensive strategies (such as a straightforward clash, attack of a weak point, circling, guerrilla warfare, etc.). In order to plan its 'battles' and to choose the right strategy, information has to be gathered about the competition (the 'foe') and the market ('theatre of operations') on which one will have to fight. In the current economic context, prospective thinking has become one of the most lethal weapons that a corporate strategy can possess. As a consequence, IT has become key to strategic thinking.

Strategic marketing forces companies to gather continuous amounts of information on the markets, on their networks and on competition. This type of information is of a very different nature from that which is relative to customers. Most of the time, its quantification is low, and it is more centred on the daily, weekly and specialised press.

2.7.1.5 Macro-marketing

Macro-Marketing is aiming at widening the scope of Marketing management, so as to include the economic, cultural, legal, social, political and even natural environments. The focus of Marketing is no longer the sole marketplace, but the entire environment, inclusive of all types of exchanges, and of the company itself with the advent of 'Internal Marketing'.



Figure 20: *The scope of Macro-Marketing is extending way beyond the sole marketplace*

The targets of macro-marketing are extending way beyond the marketplace so as to include governments, lobbyists, the media, etc.; this extension of scope imposes a change in the tools that are commonly used by marketing managers. In addition to this technical evolution, business will be considered in a way that stresses the importance of the social and political factors.

This will lead namely to the signing of agreements or partnerships with other companies. Such holistic approaches are often inherited from International marketing and the main trends of the development of macro-marketing are the following:

- ‘Solvency Marketing’: International transactions are often hampered by the insolvency of nation States. Traditionally, this problem was solved by bringing in credit from banks or specialised consortiums whose aim was to help poorer countries develop. However, the current amount of the international debt is forcing international traders to find new ways of providing the necessary funds to their customers (e.g.: buy-back contracts whereby goods are swapped rather than paid for).
- ‘Anti-Forgery Marketing’: International Marketing is confronted with an increasing level of illicit imports of genuine articles and of counterfeits of original products. As a consequence, a sort of Marketing has cropped up amongst industries in order to find new ways of tackling this problem.
- The development of co-operation at an international level: Globalisation is no longer perceived as a top-down linear approach that goes down from the headquarters to the subsidiary, but as the management of a ‘web’; that is to say the management of a pool of contracts, alliances and partnerships that one creates when the need arises and dissolves as soon as it is convenient.
- The synergy between market studies and marketing operations: The trend is to develop general marketing intelligence systems are being developed. They are meant to both analyse the market and allow better sell to that market. Experience is one of the main ingredients of such a system, together with the objectives and constraints of the specific countries one wants to sell to.
- The increasingly important role of global logistics: The cost of maintenance and usage of products and equipment is rocketing because of the latter being more and more sophisticated; there is a huge risk that foreign customers will then base their decision upon the reliability and the maintainability of that equipment, and therefore, the other elements of the mix will be less significant. As a consequence, support and logistics are becoming key to the International Marketing approach. Likewise, maintenance is evolving from just repairing equipment to more complex notions of full customer service.
- Negotiation is vital: International Marketing is rediscovering the know-how and the practice of negotiation and interaction. A good multinational negotiation implies that one understands the different levels of culture that one has to deal with: National culture, Business culture and Corporate culture.
- The globalisation of markets: Borders are becoming easier and easier to cross both for people and products; national and multinational corporations tend to market their products so that they can be sold in the same way across continents. The product is then adapted on the fly. The globalisation of markets and the individualisation of consumption are two complex phenomena, both complementary and opposite, which the company of the 21st century must be able to balance.
- Lobbying and public relations are becoming part of marketing: The communication with central, federal or local administrations, and with foreign organisations is becoming one of the most important elements of the International Marketing mix. Two new items are then added to the mix: Political power and Public relations. The main objectives are to acquire the support of official and influential personalities,

whatever their field of speciality (legal, industrial or social), and to be in permanent contact with those groups. The latter, in their turn, become advisory bodies in favour of your products or services.

- Ecology and Marketing: Ecology has become an important factor of reinforcement of the complexity of the economic environment which organisations have to get to grips with. This is all the more true that consumers themselves are more and more environment-conscious. As a consequence, the pressure of consumers is increasing, and it is sometimes threatening the survival of an industry (e.g. the current anti-asbestos campaign, first in Germany at the beginning of the 1990's, and in France in 1995). Companies must therefore consider the protection of the natural environment as a factor for the evolution of mindsets of the utmost importance.
- Internal Marketing: This type of marketing approach is aimed at generating and promoting ideas, projects and the values of identity that are important to the Management. It must also enforce direct communication between management and the workforce, and secondly, between the various units of that workforce.
 1. In the first instance, one is often confronted with the promotion of a customer-orientated management campaign (based on quality programs, ethics, lead times,...) or directly aimed at the use of new techniques or new equipment.
 2. The other example of internal marketing is far more inward looking. Its idea is to go beyond simple internal communication and to consider the company itself as a marketplace. In that marketplace, people (employees, managers, workers,...) "buy" new ideas from each other. Internal marketing is also aimed at reducing overhead at head-office level, and at making each group of individuals or each person more responsible for their own choices.

2.7.1.6 The Marketing of Services

The difference there is between the marketing of services and product marketing is the notion of intangibility. This notion is key to services. Although there are very few types of products which don't come with services, or few services that are not related to products, the main characteristics of the marketing of services are very different from those of product marketing. The customer takes part in the definition of the service, and therefore, the key element to the marketing of services is the relationship with the client and its evolution. The attitude of the front-office personnel is the main ingredient.

As a result, the marketing of services has evolved towards practices that are radically different from those of product marketing:

- The first impact is on structures: The marketing function is replacing the marketing activity, which is more diluted across the organisation.
- Another consequence is that marketing is then present throughout the organisation, and it is not restricted to the sole Marketing department. Therefore, all the firm's personnel takes part in the marketing strategy and action, while working on short term projects, for short periods of time. Hence, Marketing is not only limited to strategy, but it includes sales operations, communication, operational marketing and marketing research, etc.

Marketing is no longer restricted to the control of the 4 P's, but it mainly aims at stabilising a relationship with clients, in order to establish a correspondence between the individual objectives of a client and the economic objectives of the firm. This relationship is at the

centre of marketing. “Promises” of quality on the one side, and of loyalty on the other side are what holds this relationship together.

As a consequence of these assumptions, the marketing of services tends to lay a stress on quality, both at the design and implementation stages of a service-offer. What this implies is that the whole of the staff be motivated around the theme of customer satisfaction, in order that a high standard of “relational-quality” is maintained. Marketing must be carried out so that intense external Marketing can be efficient and in order to make things happen.

Any new customer-targeted action is therefore “sold” to the whole staff, and to the front-office personnel namely. Also, the marketing of services was one of the first to resort to Web-style distribution networks. The main innovation brought by this approach of distribution is the development of franchises which is based on the inter-dependence and solidarity between all their members. Therefore, it is an important factor for high customer satisfaction. More than any other line of business, services need this network approach in order to succeed internationally. This involves a multiplicity of alliances, accords and type of co-operation.

When it comes to the business-to-business approach, the marketing of services is combined with the new trends in Industrial marketing (see 0 for details), in order to propose a new interactive and relational approach based on long term customer relationships.

There are nine major variables of the marketing of services:

1. The links that bind customers and suppliers are very complex,
2. The end customer is not always identified clearly,
3. The client can also be considered as a co-designer of the services he will purchase,
4. Pure market mechanisms are altered by the special agreements that bind industrial firms together,
5. The internal organisation of the provider often mirrors the structure of the market,
6. The significance of the cross-organisational dilution of all departments, namely the marketing department,
7. The client-provider relationship is a guide for all and sets customer-satisfaction as the ultimate objective,
8. The weight of internal marketing,
9. The quality of the relationship as a factor of the overall quality perceived by clients.

2.7.1.7 The Marketing of Projects

The marketing of projects is aiming at durables, building materials, industrial and technical components and complex ad-hoc services. The most involved type of project is the turn-key solution (such as a complete plant for instance), but the nesting of projects can be very complex, and it is not rare that projects be found within bigger projects (namely when parts of a project is sub-contracted).

The Marketing of projects can not be limited to that of tenders. Instead, it must take the three main stages of the decision process into account (first-cut selection, short-list, final choice), in order to prepare the means of action of marketing management. Apart from the traditional constants of marketing (offer, price, communication, sales-force...) two main “relational” elements can be identified:

1. Relationships between organisations or individuals which provide a competitive edge in terms of information or decision

2. Connections with buyers, which generate a strong competitive advantage

These two elements are very closely linked to each other and they both require a bespoke organisation and preparation of the firm and its staff. The latter make it possible for one to manage decentralised buying and selling centres, as well as the complex interactions between them. With the marketing of projects, there is a tendency to make the funding of operations more and more complex. They take place between mother companies and their suppliers as their distribution network. It can be a mere training contract, but it can go as far as setting up a temporary partnership leading to the creation of a new, commonly-owned organisation.

The approach of industries regarding these partnerships is predictive, and such methods are applied long before the client's need has even arisen. Anticipation is therefore one of the key success factors of the marketing of projects.

Three main types of strategies are possible with this type of Marketing. They are related to the three possible attitudes of the supplier who will take part into such a project.

1. The traditional strategy is reactive: The supplier will wait for the specifications to be defined by the client. A tender will then be submitted and negotiated with the Customer.
2. The second possible strategy is interactive: It implies that the supplier makes special efforts in order to be in the short list, so that he will be able to influence or even change the statement of requirements in his favour. The next step is a kind of team-work in which the client and the supplier will endeavour to solve problems as they arise, and evolve the statement of requirements together.
3. The third possible strategy is pro-active: The supplier "builds" a project and his analysis of the problem tends to encompass all the various aspects of this project, whether it be financial, technical or even legal if necessary. This strategy applies to new projects, but also to existing ones, which have not yet been implemented properly.

In the background of the Marketing of projects, one finds networking strategies whereby firms try and create alliances in advance, and treat their partnerships as crucial. This is a long term approach, which resorts to contractors in order to cope with all the disruptions that may occur during the life of a project.

The Marketing of projects is therefore the ultimate example of relational Marketing, and it underlines the need for managing relationships beyond the only scope of business. Trust, and not opportunism, becomes the main ingredient within such partnerships.

2.7.1.8 High-tech Marketing

One of the main characteristics of High Tech Marketing is the important level of uncertainty. Uncertainty as to the possible applications of a technique, uncertainty as to the target markets, the competition, and above all, for consumers, uncertainty regarding the choice of products on offer.

This extreme level of uncertainty is the natural consequence of the complexity and instability of high technology and it is constantly looming in the background of that type of Marketing. This is what justifies that today's market survey methods surrounding High Tech markets tend to include considerations on innovation and their acceptance by the public on the one hand, and the link between marketing and Research & development on the other hand. As opposed to conventional Marketing, High Tech Marketing deliberately tries to avoid the traps of perfectionism and refuses to focus on a single solution.

Hence, the methodology used is mostly qualitative and it lays a stress on the communication that takes place between the various partners of a new project, in order to gather as much information as possible. The resulting analysis is based upon the comparison of the views of various experts on the subject.

The main issue which lies beneath the process of High Tech marketing is that of the management of the various phases of the project (assumptions, collection of the information, analysis of that material). High Tech Marketing is also close to the field in so far as the result of the marketing approach is mostly leading to a pre-sales process based on experiments and pilots. This process will typically involve the partners that will help develop the first products. Beyond the generalisation of the High Tech market survey process, other methods are now used (e.g. the likely scenarios method, that originates from Prospective Thinking methodologies) which try to adapt innovations to current consumer behaviours and in order to predict certain patterns of buyer behaviour.

This approach is more pragmatic than that of conventional marketing, and therefore, it is more adapted to the fast changing world of High Tech.

2.7.1.9 Techniques

A number of radically new techniques have already emerged, in order to be able to make good use of the continuous flow of information upon the environment and about competition in particular:

- The organisation of joint events by partners of the same industry, in order to team-up on projects, or just share ideas and information about such projects.
- Research & action techniques, which can improve the knowledge-base of an organisation through the thorough scanning of various unfamiliar environments.
- Agreements signed with the printed press; this enables one to link networks, information sources together. The organisation is then known as a skills centre that all future projects will have to refer to.
- Quasi partnerships and partnerships so as to find new projects and neutralise any potential competitors who therefore tend to work with you (and not against you).
- Mock invitations to tender, and dummy projects; the objective here is to force all the actors on a given market to reveal information about themselves and the methodologies they use.
- Macro-sociological surveys. For that purpose, an organisation can resort to various techniques:
 1. Permanent observations of the economic, social and business environments
 2. Creation of a permanent network of global experts and observers of social trends, who can be available at any time
- Constant investigation of the environment and the media
- Qualitative surveys of both consumers and experts
- Development of likely scenarios

- Analysis of major trends; micro analysis of reality with a very strong ethnological flavour:
 1. Ethnological studies,
 2. Observation of Clients' behaviours without them knowing about it,
 3. Test-markets with post-launch analysis.

2.7.2 Struggling for Survival

Marketing tends to get closer and closer to consumers and they now become part of the industrial process. Long-winded theoretical market surveys are replaced by a far more reactive type of Marketing, which includes the launch of unfinished products, which are completed later, with the help of customers themselves. This is what one sometimes calls "fast-track" marketing or real-time marketing.

2.7.3 From conventional Marketing to the Marketing of the future

Marketing must therefore become more reactive and flexible, realistic, profitable and optimised. Its integration within the day-to-day management of operations has to become more obvious. We will then oppose the traditional tangible and measurable values of conventional Marketing (i.e. Marketing function - surveys - products) to those of the Marketing of the future, which must be the following:

- Prospective thinking
- Interaction
- Services

On the other hand, IT will make it possible to act and react at a very short notice, which will give more of an operational slant to marketing within projects and day-to-day business practices.

2.7.4 Towards Business-Driven Marketing

As well as becoming more operational, Marketing Management is also getting more specific, in order to fit in with the organisation's strategy. This is what drives companies to treat Marketing as an operational activity - instead of an intellectual drill - therefore taking all minor variations of the market into account in their operations.

As a consequence, the notion of Marketing activity (horizontal marketing) should supersede that of Marketing function (vertical Marketing).

Marketing intelligence, interactivity and the thorough understanding of markets and their sources of information will therefore become key to this discipline. As a matter of fact, Marketing has become more result-driven, more effective, and its targeting techniques is getting increasingly precise.

2.7.5 Characteristics of the Marketing of the future

Apart from the shortening of product life-cycles and the acceleration of the pre-launch phases that are resulting from these new life-cycles, Marketing must evolve in two different directions that are justified by the volatility of behaviours on the one hand and by the intangible character of innovation on the other hand. These directions are:

- The analysis of major emerging trends,
- The obligatory validation and control of these trends.

This evolution is the cause for the generalisation of three types of marketing action, which tend to be more and more parallel to one another:

2.7.5.1 Macro-sociological surveys.

Their objective is to understand the major emerging sociological trends from the analysis of a myriad of symptoms of all kinds and origins. These symptoms may have no direct relationship with the subject of the survey, and they can even be enhanced by more philosophical considerations (e.g. uniqueness and diversity of individuals, need for beings to be part of a group and at the fringe of that group at the same time,...)

2.7.5.2 Ethnological observation and validation.

Once these major trends have been understood and depicted, it is necessary to validate them and measure their significance with as much realism as one can afford.

2.7.5.3 Real-time control and adaptation.

Marketeers must be extremely cautious as to the stages that follow the launch of a new product, instead of just focusing on the stages preceding that launch.

2.7.5.3.1 Products Strategy

A very close follow-up of the product life-cycle must be carried-out in order to implement changes as fast as possible. Hyper-segmentation (i.e. bespoke products and mass customised products) and a constant quest for differentiation are key to that strategy.

2.7.5.3.2 Marketing Strategy

Marketing must get back to pragmatism and avoid losing sight of reality.

2.7.5.3.3 Sales Promotion

Through very sophisticated pricing policies, industrial alliances and partnerships, (within and outside the same industrial segment), one will aim at getting closer to the consumer (one-to-one marketing and micro-marketing techniques).

3.

A new orientation: Visionary Marketing

Marketing Management - as shown in the preceding paragraphs - is now looking to break new grounds by getting nearer to end clients and the Society in which they live in. 'Societal' Marketing is at the front of the stage. One could even rename it '**Societing**' (Badot/Cova, 1992).

3.1 Scope of visionary Marketing

The scope of visionary marketing is both strategic and operational.

It is strategic in so far as the approach that is in its background, helps tackle each problem as a whole, instead of sub-dividing it. It then has a very strong systemic flavour to it. It is also operations-focused, because what matters is not the techniques that such marketing uses, but the results that marketing can bring. It is therefore a very pragmatic approach.

3.2 The Marketing Function and the Marketing Activity

Marketing activity is not always performed by a dedicated Marketing department. That Marketing department may even not practise any Marketing at all. Its role is often restricted to that of motivating the Sales force and feeding them with general information about products, prices, sales promotion campaigns, and possibly competitors). Marketing proper is then diluted within the rest of the organisation. This is what we chose to call the Marketing Activity.

3.2.1 The Marketing Activity

3.2.1.1 The Model

The Model of the Marketing Activity is the basis of Visionary Marketing (see Figure 21). This Model incorporates all the variables that influence Marketing. It goes way beyond the frontier that is defined by the Marketing Mix.

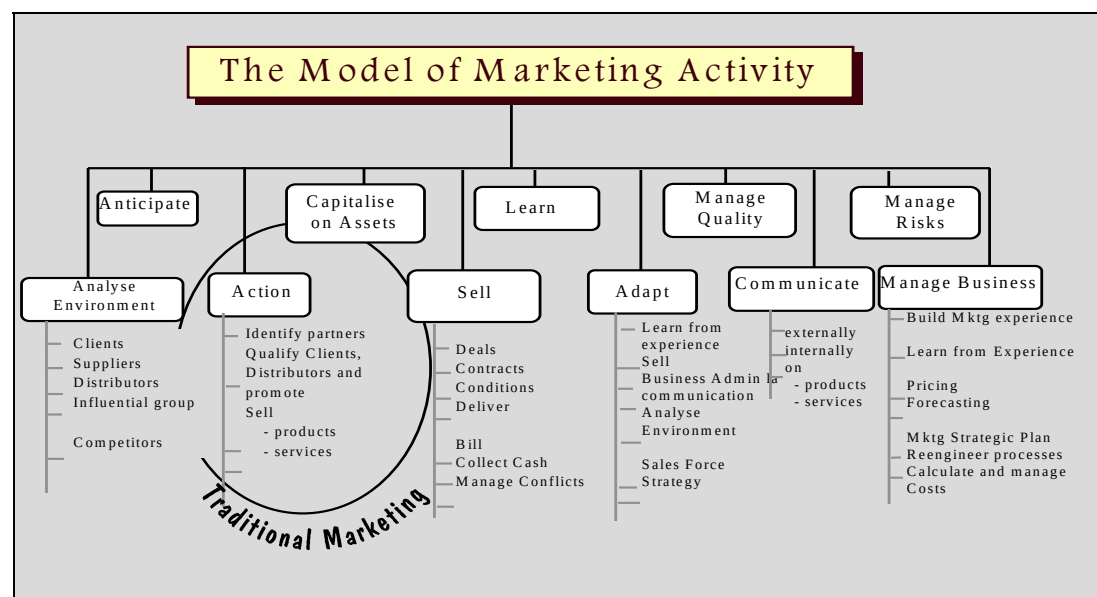


Figure 21: The Model of Marketing Activity

3.2.2

The Audit Matrix

This Model is at the origin of the following audit matrix:

Table 3: Audit Matrix of the Marketing Activity

Items	Comments
Analyse the Environment	• Natural and cultural environment • National and International background • General attitude of the public • The Media • Specialised or general interest databases (on-line or on CD) • The Finance Market • The Market and the Line of business • Suppliers to the organisation or the group • Competition • Clients • Internal organisation (Charters, departments, structures,...) • ...
Anticipate	• Changes (Internal and external) • Likely futures
Learn	• Interaction between R&D, Strategic Marketing and Marketing Operations
Capitalise on Assets	• Making the most of the current experience and the co-operation within the organisation
Action	• Basic Marketing (Marketing Mix)
Marketing Operations	
Adapt	• Best practice
Communicate	• Internally and externally
Manage Quality	• As perceived by customers
Manage Risks	• Minimising them
Manage Business	• Management and co-ordination

The above Matrix will itself generate a check-list. This list is what will enable one to establish a diagnosis of the Marketing Activity. Refer to Table 4, (entitled Check-list for a diagnosis of the Marketing Activity), which can be found in the appendix.

This check-list will in its turn be used for the diagnosis and the evaluation of the Marketing Activity. Each of the sub-divisions of this matrix should be adapted to the clients and the problem that it applies to. It is therefore very important that one bear in mind that this tool should be looked at as a discovery matrix than can help grasp the marketing activity in its entirety. It will also help understand how complex the problem is. These lists are not comprehensive and they should be adapted to each audit, in conjunction with the client.

3.3 Visionary Vs Conventional Marketing

The basic principles of our holistic approach entitled Visionary Marketing are the following:

1. Jumping to conclusions can be very dangerous:
 - Consider each problem as a whole
 - Avoid sub-dividing problems

- Take recursion into account
- 2. The understanding of your client's vision for the future determines all further actions
- 3. Marketing Intelligence is a must
- 4. The Marketing Activity goes way beyond the sole Marketing department
- 5. Strategy and Marketing operations go hand in hand
- 6. Following up one's missions is crucial - Always the unexpected happens,...

The following diagram describes how different the visionary approach of Marketing is from conventional Marketing.

3.3.1 Marketing Intelligence, a major task

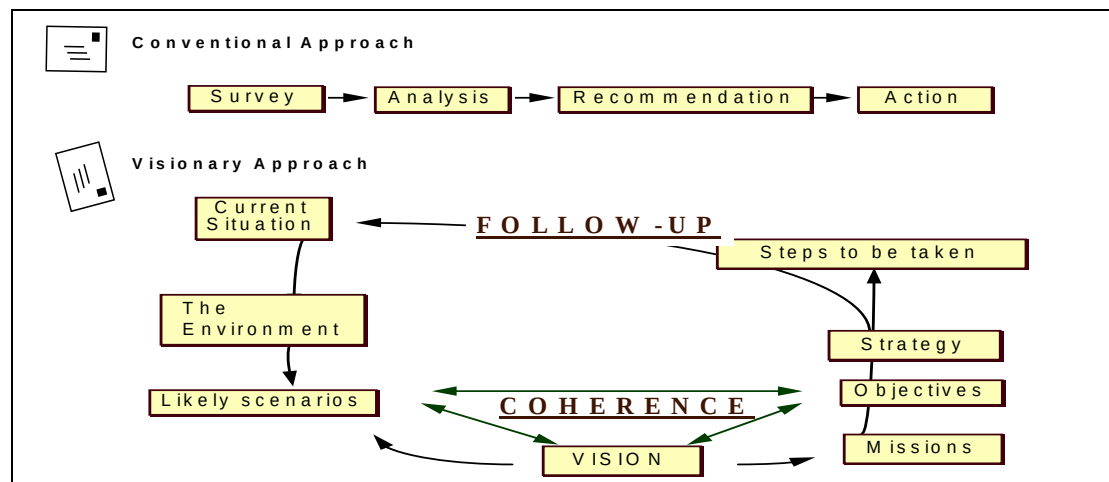


Figure 22: Diagram comparing the visionary approach to that of conventional marketing

Observing the environment is now becoming a major and constant concern. This is due to the current changes in structure of the pressures that are affecting all lines of businesses today. Whereas that pressure was originally coming from the market forces exclusively, the new factors of change are coming from different sources. Marketing intelligence is hinging upon three major functions:

1. Collecting information from professional sources, i.e. panels, professional databases, the specialised press, clients and suppliers. Each individual within the company must be able to get hold of any piece of information that is aimed at increasing the potential collective knowledge-base.
2. The analysis of such information consists in verifying that the raw data can be transformed into reliable information that can be used by the rest of the company.
3. Last but not least, the transmission of such information to all the actors while adapting both the contents and the presentation to each of the readers.

3.3.2 Collecting information

This activity is aimed at collecting useful information on the various segments of the environment. It then becomes key to the development of the firm, that must adapt quickly and efficiently to this environment.

The ground rule of Marketing is to observe the structural changes of markets. In order for the production-sales process to work well, the company must seek to minimise risks and

maximise the quality of the current and future exchanges with its suppliers. The differentiation factor that Visionary Marketing allows is that it avoids the confusion between the Environment and the Market, and it also allows for the organisation to gather internal and external information that is out of the usual scope of Marketing intelligence.

For instance, technological advances and the change in customer expectations and behaviour are factors that impact directly the size and the structure of one's distribution networks. The physical aspects of the distribution of products (i.e. storage, warehousing and transportation) are almost constantly submitted to the pressure of constraints and variables that are issued from the environment. Because of this permanent reshaping of their structure, distribution networks are becoming central to the Marketing Activity.

3.3.3 Inside Visionary Marketing

Thanks to a strong Marketing activity, a firm is then able to be prepared for changes before they even happen. Strategy and action also enable the firm to react more swiftly to all types of changes of the environment.

3.3.3.1 The Information Era

Information now becomes one of the crucial elements for the efficiency of an organisation. The quality of that information, and the speed at which it is processed and circulated have very significant consequences upon R&D.

Information and Information Technologies become unavoidable, because an organisation that can get a better grasp at their environment therefore obtains a competitive advantage within its industry. Yet, because of the globalisation of networks and the portability of IT tools and data, Information itself is becoming a product. In the United States, the structure of the banking market, however traditional it may still be, is now deeply questioned by organisations that are experimenting new solutions. Some of them are banks (like Huntington Bancshares) and have chosen to modernise their equipment and their retail branches, others are newcomers that are using Information Technology as a medium for entering this new market (Microsoft⁴³, ATT,...).

Although most are trying to prove themselves that such threats are only for tomorrow, and that one is still protected behind our national borders, it is a fact that the pace of the globalisation of markets is increasing dramatically, and that on the other hand, it is definitely impossible for a particular country to control the internationalisation of computer networks (namely the Internet - the network of networks).

Such changes will be re-inforced and they will happen at an increasing rate, therefore causing even more significant troubles and malfunctions within the organisations that will have forgotten to observe their environment or that will have failed to draw the necessary conclusions. Any other type of rationalisation of the activity (Lean Management, Business process Reengineering, re-development of information systems,...) should therefore be linked to the observation of the environment.

3.3.3.2 Marketing and Marketing Intelligence

Thanks to the links with the research and development function and sales function, Marketing can help innovation develop within the organisation. And the development of such links between Research and Marketing gives birth to what we could call useful innovation. The conjunction of the description and of the understanding of customers' needs, and of the

Note⁴³: Bill Gates: «Banks are dinosaurs,...», Newsweek, 1994

proposals that can be made by R&D, are multiplying exchanges and the chances to succeed too.

3.3.3.3 Marketing and responsiveness

This is a two-way system. Although Marketing is demanding that products' specifications be designed way before one decides to go to market, it may also happen that researchers propose directions that lead to new projects. Marketing will in a manner of speaking 'pedal backwards' in order to evolve the market characteristics of the new product.

In fact, the de-taylorisation of the Marketing function was dictated by the following factors: The acceleration of projects; the need to optimise costs and to link various know-hows around such projects; the obligatory and difficult adequacy between customer needs and the offer; the transformation of internal structures so that people are organised around projects (what one could call - after Charles Handy - virtual organisations).

3.3.3.4 Marketing and Research/Development

Marketing is evolving quickly and at the end of the day, it will have performed a twofold integration: The integration of R&D and product design on the one hand, i.e. of the processes that take place before the product is marketed. And the integration of consumers on the other hand, i.e. the customer plays a role in the design of the product even after that very product has been marketed. The consequences of this two-way change is that project delays can be dramatically shortened, and that the loss of information and expertise can be minimised all along the development of the project.

Moreover, this evolution guarantees that the method for conducting the project is always customer-orientated. A special relationship is therefore created between suppliers and their consumers. This special relationship concerns prices, functionality, and psycho-social significance.

3.3.4 The Techniques of Conventional Marketing

Far from rejecting purely and simply conventional Marketing techniques, we will position Visionary Marketing as an evolution of conventional Marketing.

3.3.5 Contents of Visionary Marketing

3.3.5.1 A Different Mindset

1. Visionary Marketing focuses on major trends. Observing one's environment (beyond the sole market) is vital,
2. Focusing on targets and on the organisation's strategy,
3. Being customer-driven at all times (customer = distributor or end-customer),
4. Being attentive to what customers have to say (i.e develop a maieutic approach),
5. Visionary Marketing imposes neutrality (one must listen before one suggests).

3.3.5.2 Strategy and Vision

The characteristics of Strategic Marketing are the following :

- It creates high value-added products and services,
- It adapts quickly to the evolution of markets and clients' expectations in particular,
- It builds upon best practice and requires the co-operation of everyone (not just the marketing personnel),
- And it mainly helps create, develop and share the vision across the organisation.

3.3.5.3 Means and techniques

- The aim is to go to market and not just carry out in-house surveys. This process involves everyone from the sales force to public relations,
- The importance of qualitative methods is reinforced. Quantitative methods must not be dropped, but instead, a thorough Quality process must be introduced.

4. The Design of Marketing-Orientated Information Systems

4.1 Of the Weight of Information Technologies

4.1.1 The advent of Technology and its impact

4.1.1.1 Information Technologies

In a speech at Harvard in 1990⁴⁴, Michael Porter was insisting upon the crucial role that IT would play in the 1990's. According to him, the mastering of the processes, of the access and of the circulation of Information had become fundamental in the acquisition of a competitive advantage across one's industry - or even across industries when they are competing with one another. Moreover, he established that there existed a hierarchy of the effects of the implementation Information Technology and we described these effects in

Note⁴⁴: The name of the conference was 'Key success factors for the 1990'.

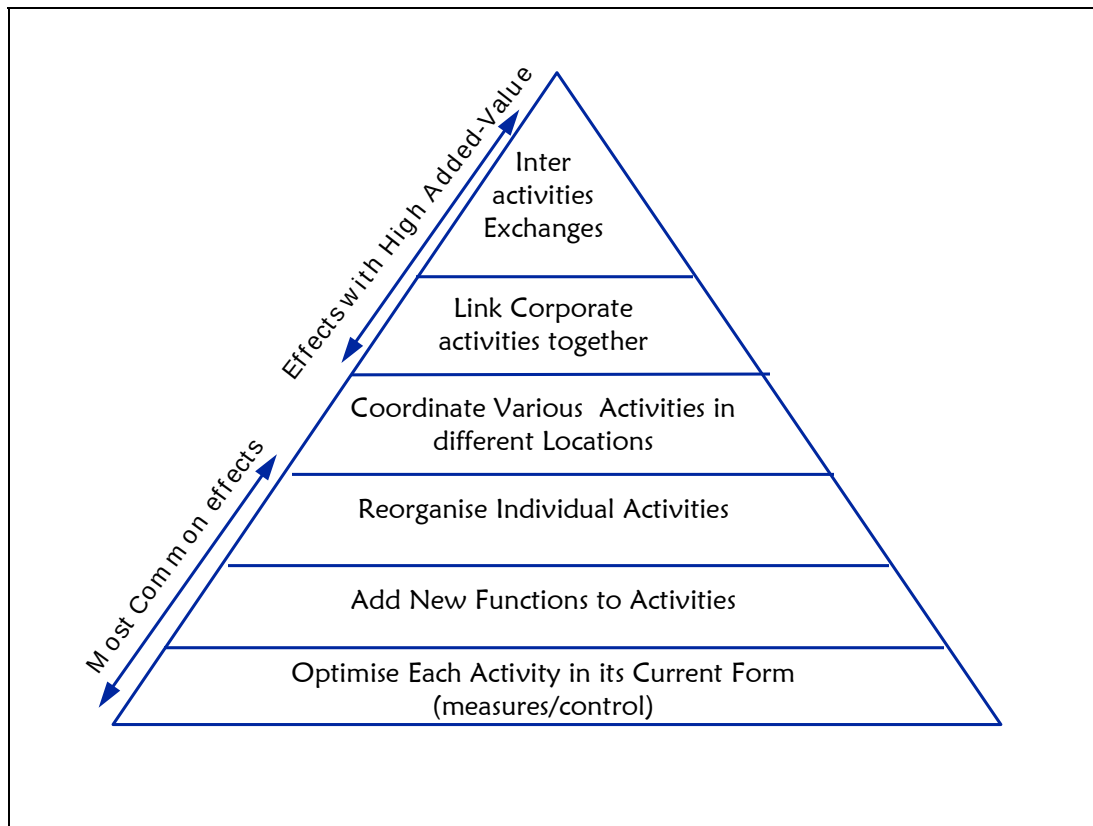


Figure 23: The Pyramid of the effects of IT on businesses

4.1.1.2 Marketing and Technological Intelligence

4.1.2 On the Intrusion of IT within the world of Marketing

The presence of IT in Marketing is strong in the four following areas.

1. Collecting Information:

The gathering of Information cannot be envisaged without the use of on-line databases. Whether it be for the sake of collecting more Information and faster, or for the want of collecting Information for new sources, in a way that did not have to be defined beforehand. Traditional sources of Information can be found in their on-line versions (on the Internet or other private databases such as Compuserve or Reuters,...). But other sources are also available, and this is the main interest that is brought forward by these new media, that is to say, the ability to find alternative ways of discovering raw information or sources of information. Among others we can quote research groups from universities or various non -profit bodies or Newsgroups that allow - or will allow - straight-forward on-line direct discussions with experts, or even simple e-mail which tends to lift the traditional barriers of national frontiers.

For instance the Institut für Betriebsforschung in Göttingen (IFBG) is a tremendous source of information and links to other systems around the world, namely in the banking area.

(select http://www.wiso.gwdg.de/ifbg/bank_2.html for a list of banks in the world).

2. Statistics

Carrying out statistical analysis without a computer is completely out of the question nowadays.

3. Market Surveys

Shrink-wrap market survey software packages have been available on the market for quite a few years now. These packages enable one to create the masks of one's questionnaires very easily. These masks can then be used for the administration of these questionnaires, thereby avoiding possible errors during transcriptions. If necessary, a transfer of the mask into a word processor or any other publishing package can be envisaged. What's more, this mask will be used for the data entry and the analysis of the results too.

Multiple choice questions and answers are only typed once and for all. In addition, the coding of the questionnaire, always a difficult task, is made easier and mistakes are more easily corrected. Last but not least, because it minimises the technical work around the building of a survey, such a piece of software gives autonomy to a firm that wants to carry out a survey without the help of a consultant.

The next step is the presence of on-line questionnaires on computer networks. This is namely applicable to internal Marketing. With the dramatic increase in the usage and popularity of the Internet (The network of Networks), and other world-wide on-line services such as America on-line, Compuserve and the Microsoft Network, Prodigy,...), the usage of such questionnaires can and will be extended in the future. However, the difficulty in obtaining homogeneous samples of interviewees across a world-wide network will probably not allow direct on-line interrogation of customers on a statistical basis. Yet, this will have a tremendous impact on qualitative survey techniques and practices.

4. Executive Information Systems and Marketing Orientated Information Systems

They are the major event in the informational revolution of Marketing.

4.2 On the importance of *M.O.I.S.* 's

4.3 What is an *M.O.I.S.*

4.3.1 *M.O.I.S.* 's and Management Information Systems

An *M.O.I.S.* places internal and external data - permanent and punctual - at the disposal of all the actors of Marketing within the organisation. An *M.O.I.S.* cannot be considered as a tool only for decision-makers. It must not be one's Marketing Department's private System either. On the contrary, it must be available to all, thereby enabling analysts to make their studies and also decision makers to make decisions.

4.3.2 A Systemic Approach on Information

The concept of Information System is going far beyond that of Information tool, let alone Information Technology. As a matter of fact, the design of an Information System will aim at describing the following aspects:

- Transferred Information (definition, source, usage,...),
- The creation or the origin of the data (Input),
- The manipulation of the data (processes, computations, interactions between input data and the results,...),
- The usage of this data (Output),

- The influence of the environment on the data,
- The influence of the data being produced on the environment.

4.3.3 Distinction between Information and Information Technology

Because of the prevailing role that IT is playing at the end of this century, on the changes in behaviours on organisations, there is a tendency to exaggerate the importance of technology itself. Technical problems become the focal point, and the basics are often shifted to the background. Not to mention the reason why the Information System has to be built in the first place.

Our approach, on the contrary, is not focused on the tools that transfer Information, but instead on the understanding of the big picture of the Information System. A holistic approach is therefore necessary.

As shown in Figure 24, the understanding of the business context is crucial when it comes to the design of an *M.O.I.S.*. As a consequence, the audit of the Marketing activity comes first, even before one starts to think about the design of the application. Technology can and will make it possible for new ideas to crop up, that may even not have come to fruition at all otherwise. However, IT must never become an end in itself.

4.3.4 When is an Information System Marketing-Orientated ?

An Information System can be considered as marketing-orientated in so far as its usage can mirror the Marketing Activity of the firm, and when it can contribute to this very Marketing Activity too. As a consequence, an *M.O.I.S.* is different from an Executive Information System that is meant for usage at the level of the Marketing Department (in which case, it becomes a remains Marketing Information System), but instead, it must be available to all those who take a share of the Marketing activity. One should not mistake the Marketing Activity for the Marketing function.

Whereas the Marketing function is limited to a branch of the organisation, the Marketing Activity is horizontal, and it applies to several departments of an organisation, possibly all of them. For instance, a firm's approach to customers may be defined by the Marketing department, applied by the salesforce and relayed by the logistics centre; an overall quality programme might also help ensure that the policy is coherent and that it is being followed.

4.3.5

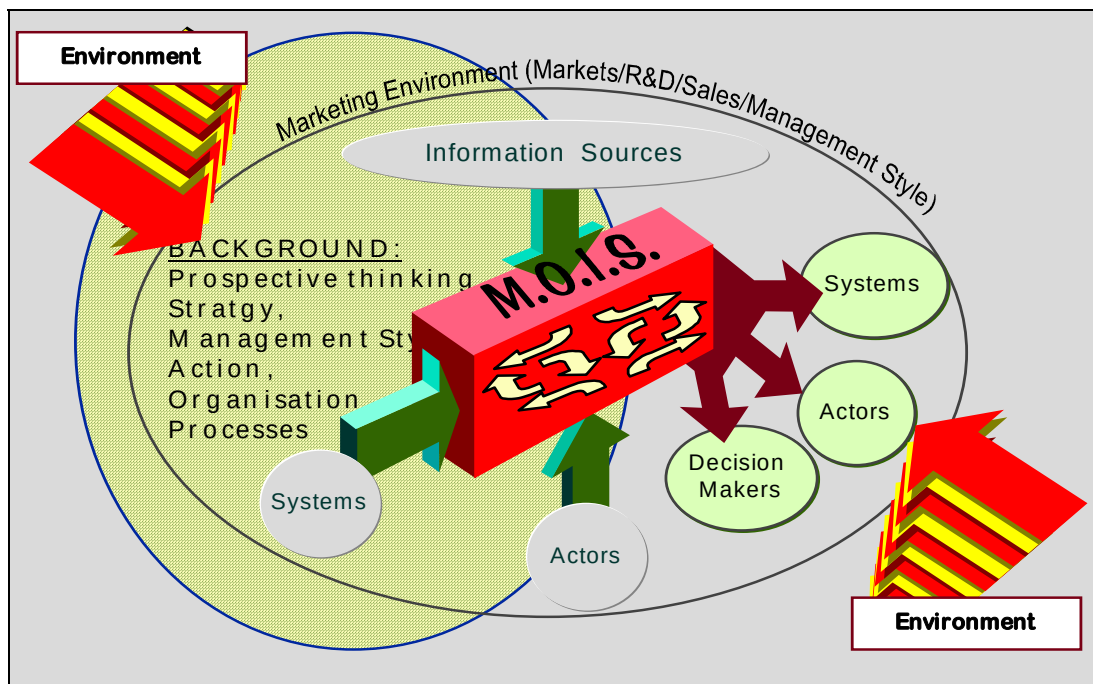
Diagram - Description of an M.O.I.S. :

Figure 24: Diagrammatic description of an M.O.I.S.

4.4 Consistency of M.O.I.S.'s

An **M.O.I.S.** must be consistent with the ultimate strategic objectives of an organisation (the *vision*). This is a very important point for the future of both the organisation itself and the Information System to which it applies.

5. Methodology in the design of M.O.I.S.'s

5.1 The Approach

The observation of the numerous attempts to automate Information processes within organisations shows that a lot of malfunctions and various difficulties have arisen in the past 10-20 years, due to these very attempts. Systems tend to be only partially analysed, interfaces between heterogeneous systems prove costly and ineffective; Information Systems also tend to be unable to adapt to changes in organisations; this implies that separate, uncoordinated initiatives flourish. Everyone or so tries to find their own solution (mostly based on their own PC's), to their own problem, without paying much attention to the rest of the world.

The result of that situation is that IT - as it has been used, so far - often has not responded very well yet to the needs of organisations:

- Information processes and processing become heavier,
- Difficulty of linking the processes contained within the Information System to the changes in business practices,

- Difficulty in co-ordinating such systems, because of the discrepancy between the evolution of requirements and the users' perception of what the Information Systems can offer.

Users are becoming more mature, and therefore, increasingly demanding as regards the level and quality of service that may be expected from the process of Information, the availability of the network, and the performance of such tools (security, response times,...)

IT end users are no longer satisfied with Information Systems which are aimed at relieving them from tedious and repetitive tasks, but they demand that new technologies actually bring added-value to their Marketing activity and results.

Experience has shown that the companies that had managed to reach that stage of maturity had certain characteristics.

There must be...

1. A thorough commitment from top management to use all IT resources (hardware, software, networks and databases,...) as a leverage for change and renewed performance,
2. A clear priority given to strategic thinking, which guarantees that both the organisation and the means for the implementation will be agreed and implemented. They will also have to be up to the significance of the challenge and objectives of the organisation.
3. A common understanding that the emphasis must be laid upon the information that is being fed into the system. Technology comes next,
4. A common interest and participation by all managers in the success of such a system.

5.2 The elements that make up a successful implementation

The combination of the points that have just been developed in the previous chapter has proven that the successful implementation of an Information System was related to two main ingredients that are:

- The positioning of this Information System: It includes the understanding of business practices, objectives and the modelling of business processes,
- The implementation itself, which includes the follow-up of users as change is being implemented (internal Marketing, documentation, training, dynamic adaptation of the system to users' requirements,...)

It is therefore necessary that the **M.O.I.S.** be placed within its Marketing context, right at the beginning of the design process. The improvement of the overall performance of the organisation is linked to the audit of the Marketing activity and the determination of the basic principles that will lead to the successful implementation of the **M.O.I.S.** . New Management imposes that one should be able to measure results more efficiently, that one should understand how activities interact, and that one should observe one's environment in a much more comprehensive fashion.

The efficiency of an Information System is related to all those factors.

However, the more unstable the future, the more difficult it becomes to build Information Systems as part of a long-winded design-process. As a consequence, one must try and find what is durable and that can give sense to one's actions in the midst of the turmoil that is being generated by the environment.

This is what we have described earlier as the strategic *vision*.

This vision can be shared thanks to well designed, well implemented **M.O.I.S.**'s, that will help circulate the appropriate Information, as close to the business as possible, thereby enforcing Marketing Intelligence ('**pre-action**'), a customer-orientated approach (**pro-action**), and the adaptation of one's strategy into action, at the same time as changes occur on the field (**re-action**).

5.3 Rate of Failure in the Implementation of Information Systems

Ignoring these basic principles can entail very serious consequences. The following pie-chart gives an idea of what the failure rate can be as regards the implementation of Information Systems.

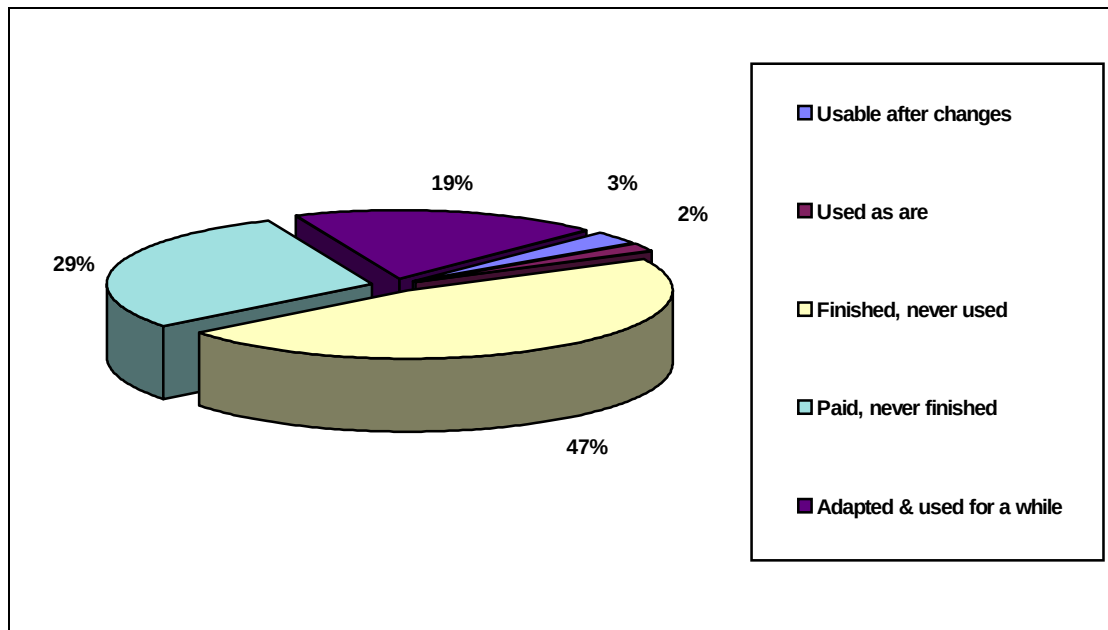


Figure 25: Rates and types of failure when Implementing Information Systems⁴⁵

5.4

Note⁴⁵: 1989 - Survey in the whole of the American administration

M.O.I.S. 's and Visionary Marketing

5.4.1 The context of an M.O.I.S.

In our current economic environment, where 'chaos' and unpredictability are some of the key-words, management can no longer be efficient, and it cannot help solve complex situations if its actions are based upon the obsolete paradigm of simplicity. A paradigm shift is therefore necessary.

This paradigm shift requires:

- That the organisation be regarded as a whole (and not a group of separate departments, structures, matrices,...),
- That the diversity of the relationships within the firm be taken into account, so as to generate creativity and initiative,
- That various points of view be considered as complementary, and not just opposite,
- That uncertainty be included as a main ingredient of the environment, so as to be prepared whenever 'the unexpected happens',
- That all the personnel be mobilised around the *vision* and that this vision be the main theme of everyone's action,
- That processes be the main ingredient for management and not the measure of such processes,
- That the approach include multi-specialists that are capable of mastering more than one function of the organisation,
- That one allow all the actors to increase their competencies by improving permanent communication and self-learning. Success is based upon the ability to generate and use ideas.

All these principles make **Visionary Marketing**, which links operational Marketing and strategic thinking. It also implies that anticipation be coupled with reactivity.

This new way of looking at organisations through 'complex thinking' enables gains in productivity at two levels:

- That of strategic competitiveness, through innovation and its rate of reaction,
- That of operational productivity, which can be seen in the reduction of costs, delays, the improvement of quality and a greater flexibility of the systems that are developed.

5.4.2

Diagrammatic Description

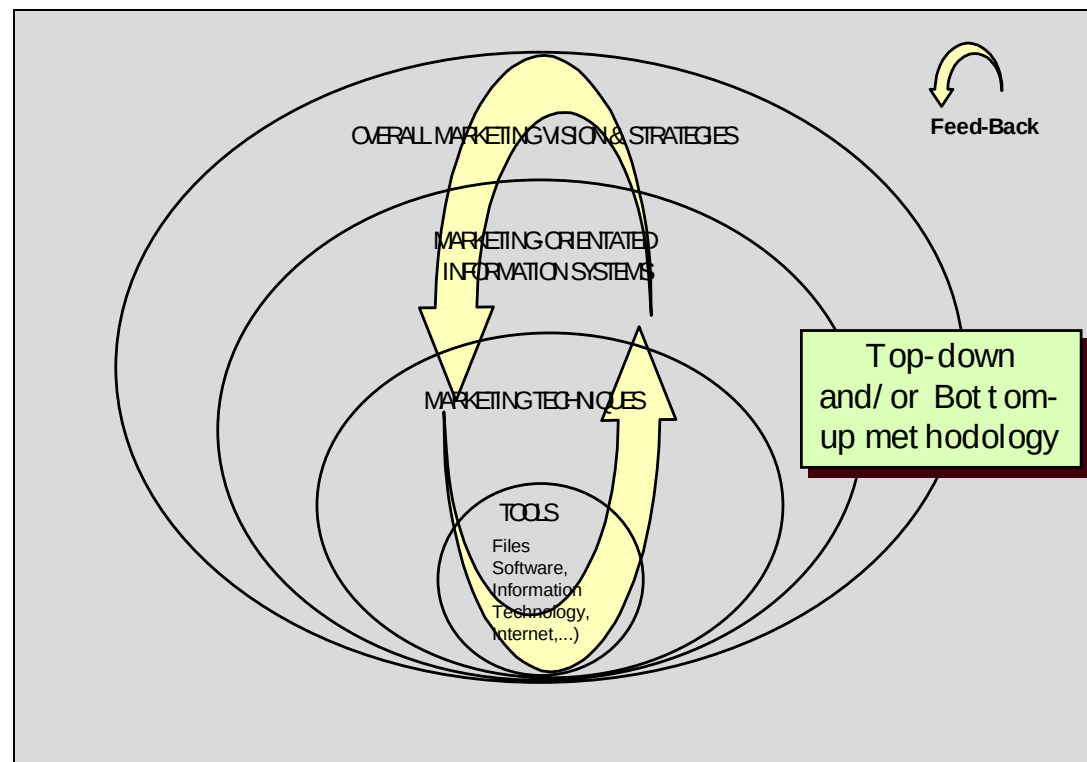


Figure 26: An M.O.I.S., its context and its media.

The benefits of this approach are numerous and they impact all the departments of an organisation

5.4.2.1 Benefits for the whole company and its group

- Link its strategy in terms of Information and process automation to the overall strategy of the group and the company,
- Allow the real sharing of Information, not for the sake of it, but for the purpose of productivity (useful Information),
- Plan and optimise investments,
- Improve internal communication,
- Prepare for future Technological changes.

5.4.2.2 Benefits for Top Management and Marketing Management

- Put Marketing Intelligence at the centre of the activity, therefore enabling a quantitative and qualitative progression of the firm on its markets,
- Improve the efficiency of a firm's Marketing thanks to efficacious Information Systems, which also generate a competitive advantage,
- Improve the image of the organisation both with its suppliers and its customers, though the introduction of a mindset that is geared towards customer satisfaction.

5.4.2.3 Benefits for the IT department

- Improvement of the quality of service brought to its users, by re-focusing Information Management around the field,
- Improvement of the relationship with internal customers and reduction in the time-frame that is necessary for the development of the Information System,
- Improvement of the image of the IT department.

5.4.2.4 Benefits for end-users

- Better voice their claims and requirements in terms of Information and Information Management,
- Feel more involved in the project of streamlining of their organisation,
- Feel that their opinions count,
- Are taught to look at the organisation as a whole, and not just be interested in sorting out their own problems,
- Have their say in IT projects.

6.

APPENDIX: The Audit of the Marketing Activity

Table 4: Check-list for a diagnosis of the Marketing Activity⁴⁶

Overall Management	Comments
The Marketing Mindset	How is Marketing considered ?
History of the Sales Department	
The Sales Organisation Charter	
The <i>vision</i> and how it is shared	Is there a vision for the future?
Corporate idiosyncrasies	Is the vocabulary standard and understood by all ?
Existing strategies	Are there any Plans (Strategic, Marketing,...)?
Critical Success Factors	Which are the factors that can help evaluate the overall success of the organisation? How should one measure them ?
Market Awareness	Comments
End customers' buyer attitudes and behaviours	Market and or behaviour studies/surveys?
Understanding of clients' requirements and evolution	For the Company and its competitors
Understanding of clients' requirements and evolution	For the company only
Corporate image	In the general public and on more specific segments
Quantitative analysis of customers	Volumes, market-shares, evolution,...
Quantitative evaluation of the market (Consumers and Distributors)	Distribution Channels, market-shares,...
Corporate positioning	As against competitors
Critical Success Factors	Which are the factors that can help evaluate the company's knowledge of its markets? How should one measure them ?
Products & Services	Comments
Types of products and services	Ranges, contents, technical details,...
Positioning of those products and services	As against the competitors
Product Prices	Price Lists and pricing methods, circulation of those prices,...
Origination of ideas	When, how, Who and When,...?
Processes	Creation process
Project Management	
Project Follow-up	Reactivity to changes
Links and relationships between Activities	
Approaches chosen by competitors	
Critical Success Factors	Which are the factors that can help evaluate the success of product launches?

Note⁴⁶: This list is provided as an example and it is not comprehensive.

	How should one measure them ?
Sales force	Comments
Sales Management	Weight, Style and Actions,...
Salespeople	Their specialisation, their style and profile
Ability to Sell	Initial training, adaptability. How they are being recruited.
Their experience in other domains	General knowledge of the business and the <i>vision</i> . Understanding of Management and other techniques.
Sales training	On-going Training on sales techniques and products/services.
Prospecting new customers	Is there a standard approach for prospecting new customers. Is a special quota attached to this activity.
Critical Success Factors	Which are the factors that can help evaluate the success of the sales force ? How should one measure them ?
Going to Market	Comments
Contacts	How important personal contacts?
Selling process	Level of standardisation
Placing orders	Process, delay, automation, control.
Confirming orders	
Motivation the sales force	How motivated are they ?
Standard conditions	Discounts, Margins, ... Form, control,...
Sales promotion	Promotion tools (National and International)
Advertising	International, national and local
Relation with the Press	Professional and non-professional press
Lobbying and advisory bodies	Persons who can have an influence upon the decision
Objectives & Quota	Calculation, delays,...
Margins	Before and After Selling control
Sales forecasts	Frequency, quality, follow-up and tools,...
How is the Marketing Plan applied by the field	
Compensation	
Critical Success Factors	Which are the factors that can help evaluate commercial success of product launches? How should one measure them ?
Sales Management	Comments
Customer Management	Files, historical data and sales forecasts
Contract Management	Renewal of contracts, advances, modification of contracts,...
Management of Internal Compensation (daughter companies & partners)	
Other Management items	
Invoicing of products and Services	
Cash collection	
Account receivables	

Solving conflicts	
Critical Success Factors	Which are the factors that can help evaluate the success of Management and Cost control? How should one measure them ?

7.

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1. THE EXTENSION OF THE SCOPE OF MARKETING MANAGEMENT.....	1
1.1 THE EMERGENCE OF CONVENTIONAL MARKETING	3
1.1.1 <i>The Marketing Concept</i>	3
1.1.2 <i>The Marketing Function</i>	3
1.1.3 <i>The Hey-day of the Consumer Society</i>	4
1.2 COMPLEX CONSUMERS AND THE EVOLUTION OF SOCIETY	4
1.2.1 <i>A New Economic Era</i>	5
1.2.1.1 The Western Industrial Model.....	5
1.2.1.2 “Turbo-capitalism”	5
1.2.1.3 Jobshift	6
1.2.1.4 The tide is turning	7
1.2.2 <i>A Choice of Society</i>	7
1.2.3 <i>Complexity Hits Everyone</i>	8
1.2.4 <i>Seeking Authenticity</i>	8
1.2.5 <i>Towards “Collective Individualisation” or How to Live with Complexity</i>	9
1.2.6 <i>Conservative Marketing and Complex Customers</i>	9
1.2.7 <i>The Weight of Cultural and Social Factors</i>	12
1.2.7.1 Towards Uniformity?	12
1.2.7.2 Postindustrialism and the Postmodern Society	12
1.2.7.3 Globalisation and Growing Complexity	13
1.2.8 <i>The postmodern Society</i>	14
1.2.8.1 Attitudes and Behaviours	14
1.2.8.2 The Structural Evolution of Society	16
1.2.8.2.1 The advent of self organised structures: Webs	16
1.2.8.2.2 A “revolution” that can be compared to the invention of the printing press.....	17
1.2.8.3 The Evolution of Power Structures	18
1.2.8.3.1 The traditional source of authority	18
1.2.8.3.2 The legal source of authority	18
1.2.8.3.3 The Charismatic Source of Authority	19
1.2.8.4 The Transformation of Behaviours: Characteristics of the Post-modern Individual	19
1.2.8.4.1 Individualism and voluntarism	19
1.2.8.4.2 From “Either, or” to Multiple Choices	19
1.2.8.4.3 Elective “tribes” and micro-societies.....	19
1.2.8.4.4 The prominence of fashion	20
1.2.8.4.5 Moral and Puritanism are back	20
1.2.9 <i>Getting to Grips with the Complexity of Customers</i>	20
2. TRENDS IN THE EVOLUTION OF MARKETING MANAGEMENT TOWARDS THE 21ST CENTURY	20
2.1 INTRODUCTION	21
2.2 “SCIENTIFIC” MARKETING.....	21
2.3 THE EVOLUTION IN BUYER BEHAVIOUR.....	22
2.3.1 <i>Conventional Models</i>	22
2.3.2 <i>The New Explanations</i>	22
2.4 MARKETING MANAGEMENT AND THE ECONOMIC CRISIS	22
2.4.1 <i>How Marketing is perceived by top managers</i>	22
2.4.2 <i>Is there a Role for Marketing ?</i>	23
2.5 A NEED FOR A DIFFERENT KIND OF MARKETING	23
2.6 UNPREDICTABILITY, PLANNING AND “HYPER-INSTABILITY”	23
2.7 FUTURE TRENDS IN MARKETING MANAGEMENT.....	24
2.7.1 <i>The Change of Shape of Marketing Today</i>	24
2.7.1.1 Reverse Marketing	25
2.7.1.2 Micro-marketing.....	26
2.7.1.3 Industrial Marketing	26
2.7.1.4 ‘Warketing’	27
2.7.1.5 Macro-marketing.....	28
2.7.1.6 The Marketing of Services	30
2.7.1.7 The Marketing of Projects	31

TABLE OF CONTENTS

2.7.1.8 High-tech Marketing	32
2.7.1.9 Techniques	33
2.7.2 Struggling for Survival.....	34
2.7.3 From conventional Marketing to the Marketing of the future.....	34
2.7.4 Towards Business-Driven Marketing.....	34
2.7.5 Characteristics of the Marketing of the future.....	34
2.7.5.1 Macro-sociological surveys.....	35
2.7.5.2 Ethnological observation and validation,	35
2.7.5.3 Real-time control and adaptation.....	35
2.7.5.3.1 Products Strategy.....	35
2.7.5.3.2 Marketing Strategy	35
2.7.5.3.3 Sales Promotion.....	35
3. A NEW ORIENTATION: VISIONARY MARKETING	36
3.1 SCOPE OF VISIONARY MARKETING	36
3.2 THE MARKETING FUNCTION AND THE MARKETING ACTIVITY	36
3.2.1 The Marketing Activity.....	36
3.2.1.1 The Model	36
3.2.2 The Audit Matrix.....	37
3.3 VISIONARY VS CONVENTIONAL MARKETING	37
3.3.1 Marketing Intelligence, a major task.....	38
3.3.2 Collecting information	38
3.3.3 Inside Visionary Marketing.....	39
3.3.3.1 The Information Era	39
3.3.3.2 Marketing and Marketing Intelligence	39
3.3.3.3 Marketing and responsiveness.....	40
3.3.3.4 Marketing and Research/Development	40
3.3.4 The Techniques of Conventional Marketing	40
3.3.5 Contents of Visionary Marketing	40
3.3.5.1 A State of Mind.....	40
3.3.5.2 Strategy and Vision.....	40
3.3.5.3 Means and techniques	41
4. THE DESIGN OF MARKETING-ORIENTATED INFORMATION SYSTEMS.....	41
4.1 OF THE WEIGHT OF INFORMATION TECHNOLOGIES	41
4.1.1 The advent of Technology and its impact.....	41
4.1.1.1 Information Technologies	41
4.1.1.2 Marketing and Technological Intelligence	42
4.1.2 On the Intrusion of IT within the world of Marketing.....	42
4.2 ON THE IMPORTANCE OF M.O.I.S. 's.....	43
4.3 WHAT IS AN M.O.I.S.....	43
4.3.1 M.O.I.S. 's and Management Information Systems.....	43
4.3.2 A Systemic Approach on Information	43
4.3.3 Distinction between Information and Information Technology.....	44
4.3.4 When is an Information System Marketing-Orientated ?.....	44
4.3.5 Diagram - Description of an M.O.I.S. :	45
4.4 CONSISTENCY OF M.O.I.S. 's	45
5. METHODOLOGY IN THE DESIGN OF M.O.I.S. 'S	45
5.1 THE APPROACH	45
5.2 THE ELEMENTS THAT MAKE UP A SUCCESSFUL IMPLEMENTATION	46
5.3 RATE OF FAILURE IN THE IMPLEMENTATION OF INFORMATION SYSTEMS	47
5.4 M.O.I.S. 'S AND VISIONARY MARKETING.....	48
5.4.1 The context of an M.O.I.S.	48
5.4.2 Diagrammatic Description	49
5.4.2.1 Benefits for the whole company and its group	49
5.4.2.2 Benefits for Top Management and Marketing Management	49
5.4.2.3 Benefits for the IT department	49
5.4.2.4 Benefits for end-users.....	50
6. APPENDIX: THE AUDIT OF THE MARKETING ACTIVITY	51

7. BIBLIOGRAPHIE 54

TABLES & FIGURES

Figure 1: The rule of Say implies that industrial production is enough to generate a demand spontaneously	4
Figure 2: Illustrations taken from "The Marketing Plan", by Mc Donald & Morris - Heinemann - 1993	4
Figure 3: Edward Luttwak	6
Figure 4: Cartoon published in The Economist (February 11th, 1995)	6
Figure 5: On-line databases, such as the Internet or Msn (Above) are good vehicles for new trends such as the New-Age. They are also good opportunities for understanding the sociological and cultural changes that are occurring.	9
Figure 6: Customisation imposes a radical change towards one-to-one communication.	10
Figure 7: Towards a more "baroque" representation of consumption	10
Figure 8: Culture, namely as conveyed by the media, is a crucial factor of understanding our society, and a great asset for business.	12
Figure 9: Annual consumption of frozen foods per capita in 1990	13
Figure 10: Andy Warhol's celebrated tin of Campbell's soup	13
Figure 11: Bottom-up structure	16
The Figure 12: Top-down structure	17
Figure 13: Web structure	17
Figure 14: Johannes Gensfleisch, a.k.a Gutenberg (1400?-1468?). Inventor of the movable type and the Mazarin Bible	18
Figure 15: Howard & Sheth's buyer behaviour model	22
Figure 16: Survey carried out by Texas Hise & Mc Daniel - 1988	23
Figure 17: The evolution of Marketing today (Badot & Cova, 1992)	25
Figure 18: Being as close to the consumer as possible	26
Figure 19: Marketing sometimes means spying on one's competitors	28
Figure 20: The scope of Macro-Marketing is extending way beyond the sole marketplace	28
Figure 21: The Model of Marketing Activity	36
Figure 22: Diagram comparing the visionary approach to that of conventional marketing	38
Figure 23: The Pyramid of the effects of IT on businesses	42
Figure 24: Diagrammatic description of an M.O.I.S.	45
Figure 25: Rates and types of failure when Implementing Information Systems	47
Figure 26: An M.O.I.S., its context and its media.	49
Table 1: First four food providers in France (1992)	12
Table 2: Table of European contrasts	15
Table 3: Audit Matrix of the Marketing Activity	37
Table 4: Check-list for a diagnosis of the Marketing Activity	51

INDEX

—2—

21st Century, 35; 57

—A—

André Micaleff, 21; 54
Attitudes, 10; 13; 14; 24; 29; 31; 36; 51

—B—

Barry Smart, 5; 11; 54
Behaviours, 13; 14; 21; 25; 32; 38; 51; 57
Bernard Pras & Jean-Claude Tarondeau, 54

—C—

Charles Handy, 16; 39
Complex, 1; 3; 6; 8; 9; 15; 19; 23; 25; 26; 28; 30;
31; 36; 48; 55
Complexity, 6; 7; 8; 12; 15; 19; 23; 29; 31; 55
Concept, 2; 55
Consommation, 19
Conventional Marketing, 1; 8; 24; 26; 27; 31; 33;
36; 37; 39; 55; 56
Crisis, 1; 3; 18; 21; 55

—D—

Differentiation, 27; 34; 38
Dual Logic, 6; 8

—E—

Eclecticism, 11
Edgar Morin, 6; 8
Europe, 3; 4; 7; 10; 11; 12; 13; 14; 19; 58

—F—

Failure, 47; 56

—G—

Georges Pérec (Les Choses), 11; 19; 20
Gutenberg, 16; 57

—H—

Hise & Mc Daniel (Chercheurs Texans), 22; 57

—I—

Implementation, 15; 30; 40; 46; 47; 56
Individual, 1; 7; 8; 15; 17; 21; 26; 30; 37
Individualisation, 7; 55
Industrial Marketing, 23; 25; 26; 55
Information, 4; 38; 40; 42; 43; 45; 46; 47; 49; 50;
56; 58
Information Technologies, 5; 27; 33; 38; 40; 41; 42;
43; 45; 46; 49; 50; 56; 58

Internal Marketing, 23; 27; 29; 42; 46
Internationalisation, 3; 4; 19; 38
Internet, 7; 16; 38; 42; 57

—J—

John Edwards, 13; 54

—M—

M.O.I.S., 1; 43; 45; 46; 47; 48; 49; 56; 58
Marketing Activity, 33; 35; 36; 37; 38; 43; 44; 46;
51; 56; 57; 58
Marketing Function, 2; 22; 33; 35; 39; 43; 44; 55;
56
Marketing Intelligence, 28; 33; 37; 38
Methodology, 32; 45; 56
Michael Porter, 40
Mindset, 39; 49; 51

—N—

Network, 7; 16; 24; 26; 30; 31; 32; 38; 42; 46

—O—

Olivier Badot & Bernard Cova, 8; 11; 17; 19; 22;
24; 35; 54; 57
Olivier Badot et Bernard Cova, 11; 19

—P—

Philip Kotler, 9; 12; 19; 54
Pierre Louis Dubois, 54
Progress, 5

—R—

Reactivity, 23; 48
Research/Development, 36; 38; 39; 56
Reverse Marketing, 24; 55

—S—

Scientific Marketing, 19; 55
Societal, 35
Societing, 35
Strategy, 12; 22; 27; 29; 31; 33; 34; 37; 38; 39; 47;
49; 54; 56
Structure, 14; 15; 16; 30; 37; 38; 57
Survival, 33; 56
System, 14; 43; 45; 46; 49; 56
Systemic Approach, 43; 56

—T—

Techniques, 31

—U—

Unpredictability, 48

—V—

Veille, 38

Vision, 1; 6; 10; 23; 37; 39; 45; 47; 48; 51; 52; 56

Visionary Marketing, 1; 15; 22; 35; 36; 38; 39; 48;
56

—W—

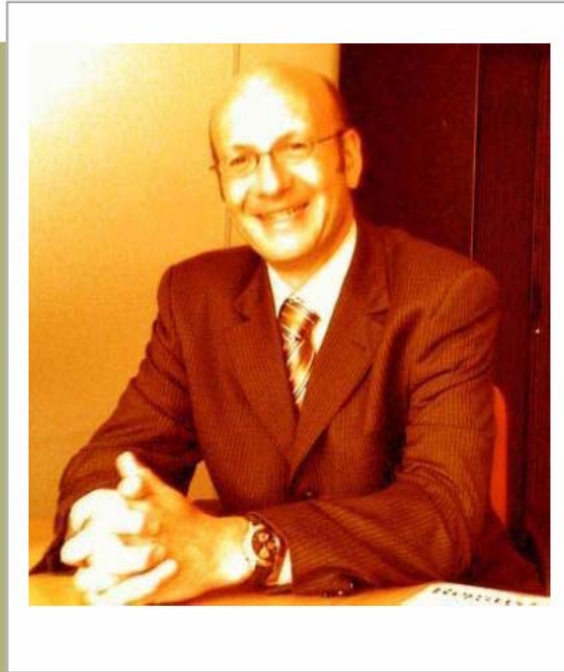
Web, 15

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FRANCE

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