

Raising Marketing's Aspirations

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Marketing as a function and a profession suffers from the tyranny of exceedingly low expectations. Rather than accept that most customers view most marketing actions in a negative light and that the response rates to marketing initiatives must remain extremely low because of competitive pressures, marketing must raise its aspirations. It must articulate and enforce high standards for what is deemed to be acceptable marketing practice, using mechanisms analogous to GAAP (generally accepted accounting principles) in accounting.

Any critique of current marketing practice and academic research can be dismissed as being irrelevant because it does not reflect what true “marketing” really is. Certainly, were marketing to be practiced and studied in full accordance with the hallowed “marketing concept,” most, if not all, criticism of it would be moot. Indeed, a similar argument could be made about the medical profession; if all within it adhered to the commonly held belief that the welfare of the patient is paramount, there would be little to criticize.

Marketing in Practice

Unfortunately, we do not live in that idealized world, and on a daily basis, we must confront the reality that the bulk of “marketing in practice” differs greatly from the normative construct. The question naturally arises, Why is it that so much of marketing is wasteful, exploitative, or downright dumb? Does this empirical reality call into question the legitimacy of the marketing concept itself? In other words, if practicing the marketing concept is the prescribed means for achieving sustained business success, why are the vast majority of companies not doing precisely that? Because they are not, does this suggest that the concept itself is fundamentally flawed? Is it unrealistic, too idealistic, or hopelessly utopian? Marketing practice is driven by pressures of competition, whereas the marketing concept is driven by customer needs. How can marketing practice be motivated to be customer centric?

Marketing Malpractices

Our primary argument is that several factors have led the marketing function astray and that specific steps must be taken to restore it to its rightful path within business and society. Marketing practice today is rife with three major types of problems (see Figure 1). First, many marketing actions are either exploitative or downright unethical; in such cases, the marketer attempts to benefit by taking unfair

advantage of the customer. Second, some marketing actions are so poorly thought out that they leave the company vulnerable to exploitation by increasingly deal-savvy consumers. The third and, in many ways, most distressing category of marketing actions is those that benefit neither customers nor companies and can be described only as utterly wasteful. Collectively, these three types of actions represent the malpractices of marketing or, less formally, “bad marketing.” As Figure 1 shows, any benefits accruing to marketers or customers at the expense of each other are short lived at best and usually lead to subsequent losses that more than offset previous gains.

Marketing and Management

We believe that a major reason that marketing today finds itself in this plight is that it has not taken a leadership role within most companies. Marketers must be willing to stand up to senior management within their own companies, and most have not done so. Contrast marketing’s timidity in asserting its customer-centric mandate with what happens in the scientific community. Chief medical officers of hospitals routinely lock horns with hospital administrators and even their boards, simply refusing to do anything that violates their medical code. Scientists at leading research laboratories also refuse to acquiesce to management if they are asked to compromise their scientific principles. They have the strength and the moral courage required to do so.

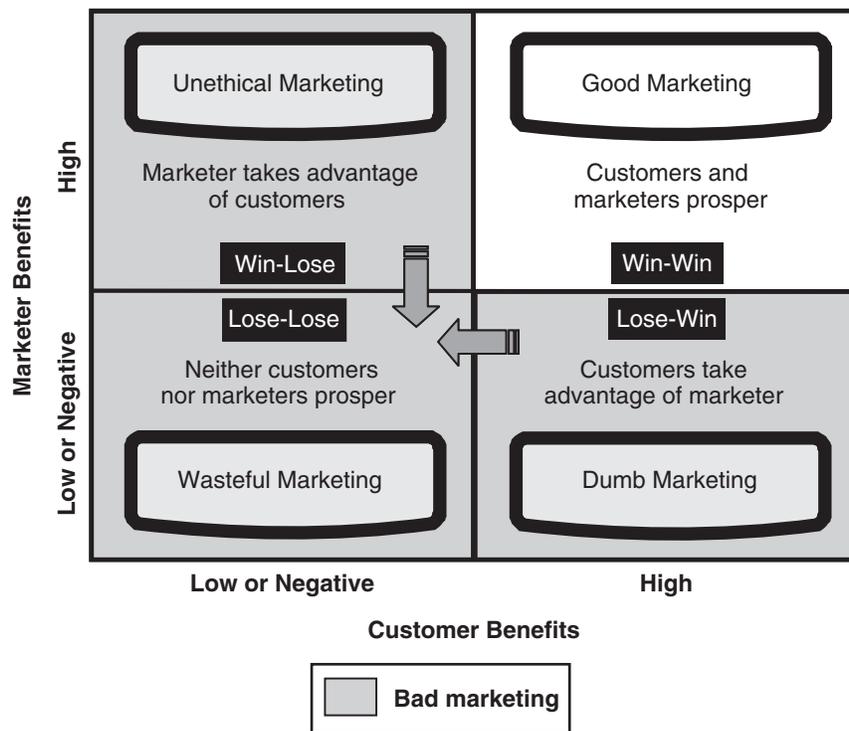
Conversely, the marketing function at most companies is usually willing to violate its own fundamental precepts to satisfy management’s demands for short-term results. By doing so, however, marketing damages its own ability to deliver sustainable, long-term results. By compromising on its fundamental mission, marketing has squandered much of its credibility. To regain it, marketing must reclaim its fundamental role as the guardian and guarantor of customer interests.

Shareholder Myopia

Since the 1970s ushered in an era of stagflation, the overall business culture in the United States has become much more driven by an explicit focus on the creation of shareholder value. This obsession found its apogee in the recent scandals at Enron and WorldCom, among other companies. The marketing function has not been immune to the pressure to “do

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Figure 1. Types of Marketing



what it takes” to achieve immediate results and sustain the stock price. In other words, marketing is being driven by corporate goals that are increasingly divergent with customer and societal goals. Thus, the divergence between marketing and society has arisen not because of marketing per se but because the marketing profession has failed in its responsibility to take a leadership role in shaping the expectations and behavior of senior management. This reflects a failure of internal marketing.

Marketing's Image: Good Enough?

We appreciate Gaski's (2007) mention of Gaski and Etzel's (2005) research on consumer sentiment toward marketing, which was published after our essay (Sheth and Sisodia 2005) was submitted to *Journal of Public Policy & Marketing*. This longitudinal study shows an overall improvement in consumer sentiment toward marketing since its inception in 1984. Much of the gain occurred in the economic boom years of 1992–2001 (the latest year for which data are provided), and approximately half the gain came from the price score. However, the key point to be made about this research is that it indicates that overall consumer sentiment is still negative (an aggregate score of -4.5 on a scale ranging from -200 to 200). This finding is consistent with (though not as strongly negative as) the Yankelovich study (Smith, Clurman, and Wood 2005) and that of Sheth, Sisodia, and Barbulescu (2006). Marketers could take some solace in the trend, but they should be concerned that the majority of consumers still view marketing in a negative light.

The Tyranny of Low Expectations

This brings up another problem with marketing: the “tyranny of low expectations.” Marketers' aspirations are often woefully low and narrow (e.g., improve market share by 1% versus improve customer quality of life by 10%), and high failure rates are tolerated in virtually everything we do—whether it is new products, promotions, advertising, or our own standing with customers and other business functions. Hardly anything in marketing works more than 10% of the time, and most initiatives succeed far less often than that. A business function that is philosophically grounded in the need to route business success through the filter of customer happiness should aim higher and succeed more often.

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The three “bad” quadrants of Figure 1 continue to be tolerated because of marketing's exceedingly low aspirations. In general, marketers are satisfied if they can get returns that exceed the incremental cost of marketing initiatives. The return might be .25% on a direct-mail campaign for credit cards, but the campaign could be deemed to be acceptable if it is profitable in the short run. Few marketers show any concern for the consequences on society of 99.75% waste.

The marketing profession must impose and enforce higher standards for marketing performance. It must reform itself (Sheth and Sisodia 2006). However, it also needs the guiding hand of public policy, especially to weed out as much “lowest-common-denominator” marketing activity as possible. A few years ago, a broker on Wall Street, caught

up in New York Attorney General Elliot Spitzer's investigation of conflicts of interest in the financial services sector, acknowledged that many common practices in the industry were clearly not in the best interests of customers. However, he said, "We felt driven to the lowest common denominator by the pressures of competition. Somebody should define the boundaries for us, and we'll observe them. Please do that" (Gimein 2002, p. 76).

Just as the accounting profession has its GAAP (generally accepted accounting principles), which are mandated, marketing also needs to develop and then mandate a set of operating principles or marketing standards. Marketers need to aim higher and broader; they must raise their aspirations in terms of what they choose to tackle, how often they expect to succeed, and how much they expect to be respected within firms, by customers, and within society as a whole.

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