

ARE MANAGERS FIGHTING THEIR MARKETERS?

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ABSTRACT. The setting of this paper is provided by a certain confusion regarding the delimitation of the responsibilities of managers from those of marketers. Many companies consider the marketing manager to solely be a link with their advertising and public relations agencies. In addition, marketers are quite commonly accused of spending too much and of being inefficient, of unlawful association with others' merits, or of intrusion in other positions' responsibilities. Despite these aspects met in various companies, marketing literature is clear in defining the marketers' tasks, pointing out that marketing supports managerial strategies and activities. Marketing has lost its influence on business strategies in the last decade, but it seems that new developments happen. The current paper investigates the discussions taking place around the relationships between marketers and corporate governance. The results are useful by identifying communication barriers, as well as ways to improve the cooperation between the marketing department and the rest of the company.

Keywords: Role of marketing, marketing manager, internal organizational relationships, business environment.

1. Introduction

So as to be effective, marketing strategies combine art with science. From a managerial perspective, their goal is ultimately financial and business-related. Nevertheless, some marketing managers are primarily developing the creative aspects of marketing; they stress too much on surprising the public, on catching the attention. Kate Sayre, partner at Boston Consulting Group, considers that some of them "focus too much on the creative itself, as opposed to what's driving the business" (Overby 2011). This might be the cause of the shifting position and influence that marketing professionals have in corporations.

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Some researchers observe that marketing lost its weight when considering the overall strategy of corporations (Nath & Mahajan 2008; Boyd, Chandy & Cunha 2010; Klaus et al. 2014; Homburg et al. 2015). Some other studies, nevertheless, show that chief marketing officers (CMOs) are highly influential in the boardrooms (IBM 2014, 1) and the role of marketing tends to change once more towards (re)gaining influence (Economist 2015).

In order to support good cooperation between marketing and management, Ariker, Harryson, and Perrey (2014) recommend to CMOs to pay extensive attention to analytics. Creativity is important to draw the attention and to be convincing, but analytics help detect and valorize market opportunities. This recognition of the primarily importance of figures, of the need of concrete market-results could be related with the decline of the influence of marketing department in face of the sales department. This evolution is documented by a study of Homburg et al. (2015).

The special focus on analytics and the necessity to master new skills in the field are especially related to the need to valorize the big data companies collect today. As Mayer-Schonberger and Cukier (2013) observe, big data can be messy, and its valorization and understanding are not always easy, special investigative abilities are needed. Boyd and Crawford (2014) also stress shortcomings and perils related to big data. Big data handling offers a lot of challenges related not just with operative aspects, but also with ethical ones (Crișan, Zbucnea & Moraru 2014). Therefore, identifying the various opportunities that the big data universe contains is a challenge for marketers today, which require new abilities and a clear vision. This may lead to additional loss of efficiency when evaluating the marketing processes and outcomes, or at least to the feeling that marketing is not valorizing enough the reach data it possesses. A worldwide IBM study (2014, 3) suggests that CMOs are aware of this situation, and almost all of them plan to use advanced analytics – an increase with almost 50% compared with the figures provided two years before. This is confirmed by a study of the Economist Intelligence Unit (2015) showing that CMOs worldwide consider that data skills and the way digital is integrated into business are vital for strategic development.

The purpose of this study is to understand the construction of a marketer's credibility from a top manager's perspective, to evaluate the implications of the economic changes that occur in the market environment and their impact towards marketing management and strategic marketing approach. As a secondary agenda, the research is intended to reveal the major issues and concerns that the top managers see facing the marketing function. The aim is not to gather data that would tell marketing managers how to do their job better or to determine the degree of acceptance of particular

analytical and decision-making techniques. Rather, the purpose is to report to marketing managers and scholars that set of issues that is currently foremost in the thinking of top managers as they direct and evaluate the marketing management function and the ways to overcome these issues that eventually generate lack of trust and communication glitches. These findings thus have some specific implications for marketing managers as they prepare for the challenges of the new business environment and they suggest some areas of future research.

The rather difficult relationships between the marketing department and management, that this investigation highlights, are not only related with the inner business environment and to the evolutions of today's economy. At least partially, they are related with the way marketing is taught in universities (Homburg et al. 2015, 10), which sets the directions of marketing practice or at least influences it.

2. Expectations for a marketing manager

A study of Fournaise Marketing Group (2011) investigating the opinion of CEOs of more than 1,200 corporations of all sizes around the world revealed that more than three-quarters of CEOs do not trust their marketers and do not appreciate too much their work. They consider that marketers are disconnected from the financial situation of the company. CEOs state that marketers are too concerned with building relationships, positive image and qualitative parameters, in the detriment of actual customer demand or business-assessable indicators. The CEOs also consider that marketing managers are too into the latest trends such as social media, without significant arguments in favor of these instruments and no real outcomes for business.

These findings are in line with a later research, of Klaus et al. (2014). This study identifies as the primary causes of the decline of strategic influence of the marketing managers and marketing overall with CEOs the following issues. First, the role of the marketing manager is shifting, therefore today's marketing managers are confronted with task overload, they focus on tactical issues, and they need a new set of analytical skills. The second problem would be the lack of financial accountability. The third problem stressed by CEOs would be their preoccupation with new technology. CEOs do not think that social media would generate quantifiable financial results, and therefore ask their marketing managers to use it as a support tool. The fourth concern for CEOs is that marketing managers lack of strategic vision and impact. Therefore some CEOs do not place marketing on the top of their priority list. In response, marketing managers could argue that the demands CEOs have assigned to

them reflect a tactical rather than a strategic focus, while marketing is by its nature strategic and holistic.

This framework is surprising when observing that marketing department brings, generally speaking, the greatest contribution to profits, compared to other departments such as sales, operations, finance or R&D (Homburg et al. 2015). This observation leads to some relevant concerns companies should address. The decline of the image of the marketing department could lead to further decline in its authority and contribution to the overall strategy of the company. Therefore companies could face decline in their performance, from several perspectives: financial, relationship building and such.

Marketing should be reconsidered not only because of inner evolutions of companies, but also related with shifting relationships between companies and consumers (Gummesson, Kuusela, and Närvänen 2014). The need of change in the way marketing is approached in companies is widely recognized by CMOs worldwide (Economist 2015). Almost a third of them stress the importance and surge of this approach, and they believe that marketing does not valorize the present-day opportunities. The same study shows that almost 80% believe that marketing will be recognize as a revenue driver in companies.

Klaus et al. (2014) remark that specific aspects of what academics recognize as marketing has been hijacked in companies. Some-other functions within organization have marketing-related responsibilities and the marketing departments are in many cases limited just to some regulated tactical attributes. In this situation, the opinion of CEOs would not refer to marketing as a whole, but rather to the role they assigned to "marketing" in their own organizations.

Krush, Sohi and Saini (2015) show that dispersion of marketing capabilities within organizations could lead to increased efficiency. It could depend on how it is strategically approached, as well as because a more functional structure. They also highlight that there is a negative correlation between intra-organizational dispersion and perceived role of marketing (Krush, Sohi & Saini 2015, 43). This would probably lead to loss of influence and respect for marketing strategies in general.

Kotler and Keller (2008) identify a few widespread misconceptions that lead to improper marketing practices. The concentration of marketing and organizational objectives on growth is the first one. This does not necessary trigger profits. The second is the leveling of marketing with sales. The third aspect mentioned is the place marketing occupies in a company – one of the departments of the corporation. Marketing should be cross-department in order to be successful.

In this context, one observes that the expectations from marketing are very high. Probably they increase considering the evolutions of the market

and the complexity and dynamics of the business world today. In the same time, marketing is under scrutiny and limited in terms of empowerment by the same managers who demand results. Generally, marketing departments lost influence in three vital areas: strategy, pricing and new product development (Homburg et al. 2015). All these aspects are tightly related with company's performance.

3. Place of marketing within organizations. Credibility

As Krush, Sohi and Saini (2015) present, the marketing capabilities of a company are distributed in a wide array of arrangements both inside an organization, as well as inter-organizational. These schemes could positively influence the performance of the marketing activity, but they lead to a perceived loss of influence of marketing, overall, on business. Peculiarities regarding this distribution, as well as the power-relationships may vary from economy to economy, from developed-countries to emerging ones. For instance, Zhou et al. (2014) show that in emerging economies such as in China personal connections of managers are important even if market-based relations are increasingly more influential. In such economies marketing capabilities rise in importance.

Another issue to be considered is how marketing managers perceive their role and relevance in an organization. A study of Karlíček and Drabik (2012) evaluating the state of marketing in Czech companies reveals that only 14% of the marketing managers consider that their department is the most influential one. Most consider that sales and finance are the most powerful departments. Nevertheless, this dim image of marketing might not be shared by CMOs worldwide, as a recent study of the Economist Intelligence Unit (2015) shows. This study illustrates that CMOs consider that the contribution of marketing to company's performance will be positively evaluated in the future.

When considering the organization of the marketing activity within the companies on the Romanian market, one can state that the majority is developing marketing activities within the commercial department (54%) and less than half (46%) have a special marketing department. The budgets are declining. The recent economic crisis in Romania led to significant decrease of the budget allocated with almost 30%. This is related with the variation in turnover, since the marketing budget is determined as a percentage from the turnover of the previous year (Căescu & Dumitru 2011). Nevertheless, this leads to the idea that marketing might not be considered as strategic and as not being a line worth investing more aiming for company's development.

The limitations of the responsibilities of the marketing department seem to be a general phenomenon. An IBM study (2014) developed worldwide shows that marketing departments control marketing communication. Therefore, just the fourth element of the classical marketing mix is their typical responsibility.

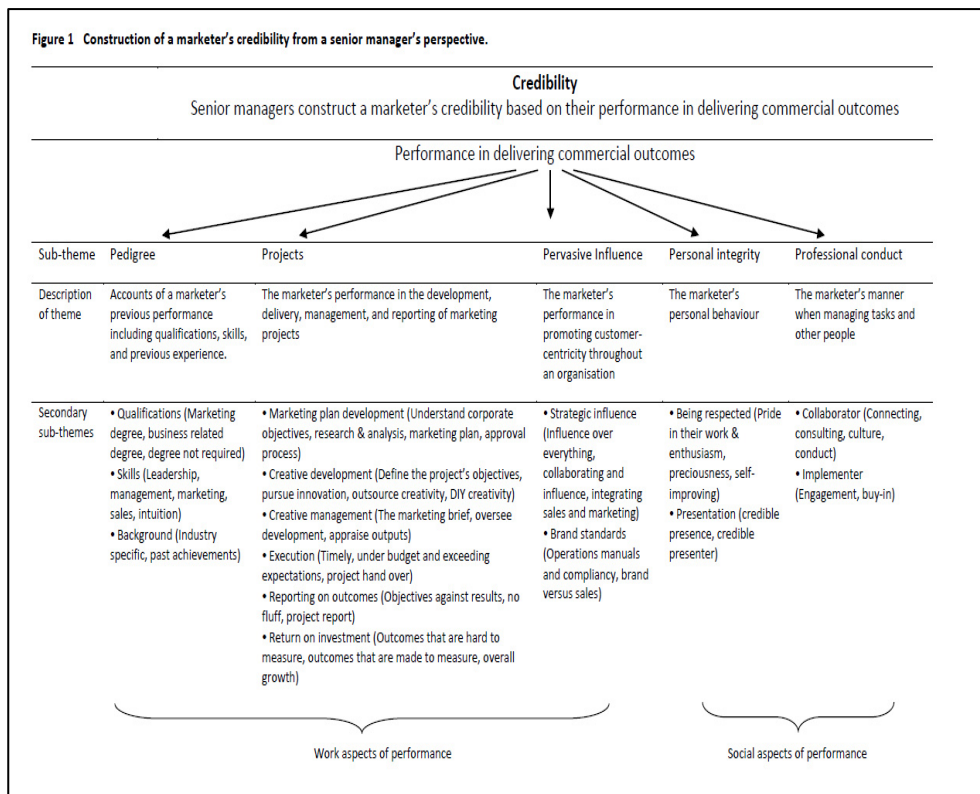
This migration of marketing responsibility is in line with other studies. For instance marketing lost its influence on strategy in the favor of sales department (Homburg et al. 2015). In some cases it supports sales, having mainly attributes related to customer relationship management and customer satisfaction measurement. It is hard to tie these important but soft attributes to a company's profitability, therefore the perceived business weight of the department coordinating such activities could not be high.

Performance at providing profitable outcomes is what ensures the credibility of marketing managers (Harrison 2012). In this context, marketing is accused of decline of productivity of marketing expenditures in the face of increased costs of doing business and failure to find innovative, more efficient approaches for communicating with customers especially in those cases where unit product prices were decreasing significantly e.g. insurance and auto.

Senior managers' responsibilities are primarily related to organizational performance. An important aspect of this indicator is the revenue growth. Therefore it is a priority for managerial strategy, and managers are accountable for this (Sawhney 2004). In business, performance is results-based. Managers interconnect credibility and performance in marketing with a set of sub-themes: Pedigree, Projects, Pervasive influence, Personal Integrity and Professional conduct (Harrison 2012, 20). The first three concepts are work-related, while the last two ones are referring to the social aspects of marketing. Studies show that senior managers have a holistic view on the marketer's performance and credibility (Figure 1).

Therefore, senior managers recognize and understand the complexity of the marketer's role and the wide range of the characteristics and competences they have to master. In this multifaceted framework, expectations are certainly high and equally diverse, therefore it is easy for marketers to fail them. A study of IBM (2014, 5) shows that the personal characteristic and professional abilities of CMOs are connected with the performance of the marketing strategy they coordinate. Marketing traditionalists perform less compared with those who address the digital challenges and integrate digital opportunities into their strategies.

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Source: Harrison 2012, 21.

Some other factors that influence the effectiveness of a marketing manager are related with the company in which him/her operates: size, relationships with the other managers, as well as the companies priorities (Cardona 2014). Therefore, the impact of marketing is tightly influenced by the managerial strategy and managerial context, as well as by the role assigned to marketing by the management of those companies. There is a tight relationship between the level of performance and the range of responsibilities across marketing. In this context, the perceived lack of performance of marketing managers that is observed by senior managers might be related with inadequate responsibility assignments.

A relevant aspect that is at stakes when considering the credibility of a marketing manager is related to financial sides (Fournaise Marketing Group 2011). Some senior managers consider that marketers do not consider the complex and multifaceted financial consequences of their campaigns. Senior managers are mainly concerned with results, and some claim that marketing

managers do not use proper metrics and measurements (Harrison 2014, 64-67). Because marketing managers do not deliver the right metrics, the CEOs do not trust their activity and ability to deliver ROI and prefer to give specific responsibilities to other departments (Klaus et al. 2014).

4. Gaining Credibility

For a longer period now, the marketing's credibility is in decline (Grigg 2007), therefore actions have to be taken to regain status and influence. As observed previously, credibility has many faced, that should be addressed by marketers who want to (re)gain their credibility. For instance, they should stress more on reporting margins, and ROI, as well as the specific marketing indicators, such as customer-related ones. It might be welcomed to provide the senior management with background information and clarifications on the specific indicators used, in order to put the results into a wide business perspective.

As previously stated, another source of lack of credibility is that senior management considers that marketers are obsessed with social media and technology, which are not so effective in financial terms (Fournaise Marketing Group 2011, Klaus et al. 2014). Therefore, marketing managers have to positively present their IT and IS strategies, to demonstrate their effectiveness in supporting profitable strategies. Marketers need to lobby more for marketing and to prove that it is a relevant part of the business strategy. Karlíček and Drabik (2012) reveal that the lack of influence of marketing at the level of a company's strategy is related to a low control over the marketing-mix and marketing function, which is scattered through the organization. This argument is supported by the study of Krush, Sohi and Saini (2015), which also shows that this situation might increase the actual business performance of marketing. Therefore, the framework in which marketing managers are active is quite complex.

Another aspect that Homburg et al. (2015) stress is the long-term perspective that the marketing departments should sustain. The marketing activity is long-term oriented. Some outcomes are intangible and not immediately observed, but nevertheless they are vital assets for an organization. The marketing department should advocate inside the organization such aspects in order to regain its credibility. The marketing department should also resist to the overemphasis of the short-terms outcomes and advocate for regaining its status (Webster & Lusch 2013).

Marketers need to be more holistic in their approach of business (Klaus et al. 2014). We add that they should equally make senior management be aware of the marketing's potential. Senior management evaluates results in a tangible – financial way because they are accountable in these respects to

the shareholders. Studies show that marketing department lacks the ability to prove and communicate its contribution to company's performance (Homburg et al. 2015, 9)

Kerin (2005) shows the profile of a suitable candidate for marketing manager: strong analytical skills, strategic vision, multi-industry experience and cross-functional expertise. Grigg (2007, 567) considers that the target of these efforts to improve the image and credibility of marketing should not address only senior management, but to be developed throughout the organization, using internal marketing techniques. Generally, marketing managers have to stress on the strategic impact of their activities (Klaus et al. 2014), across all functions of a company.

The fact that marketing is in constant relationship with customers and its self-assigned role is to bring their voice into the company's strategies weakens the position of marketers. Another difficulty is added by the marketing's responsibility to support the brand and its integrity. Therefore marketing managers are accountable not only from a financial perspective but also from an array of other perspectives too. It seems that senior managers have increasingly more chosen to pay attention specifically to some aspects, which leads to a decline of the credibility of marketing professionals. In this context, we stress again, marketers have to emphasize the importance of customers and brands, as well as of non-financial aspects for a strategic development.

In the same time, improved metrics to measure the role and impact of customer satisfaction, customer behavior towards the company, customer equity could be helpful to easier integrate these aspects into strategic management metrics. This challenge the marketers face is difficult to overcome, since not only the inner organizational environment seems not to be open to change, but also customer satisfaction is not always related to financial performance (Keiningham et al. 2014).

Marketing managers have observed these aspects and increasingly more of them are measuring customer loyalty and quantifying brand and customer equity (Aksoy 2013). An open question is how effectively are they in this respect considering the complexity of the issue and the differences between various industries.

Therefore, many challenges have to be overcome. As Klaus et al (2014) put it, *"the road back for CMOs (and marketing in general) to its place at the strategy table will not come by marketers simply doing their current jobs better. It requires a change in perspective. If we want CEOs to believe that marketing is in the strategic long-term interest of any firm's success, then we must tangibly demonstrate this to be true"*.

5. Conclusions

Senior management considers that marketing does not cope well with its responsibilities and they do not offer the right results from a financial perspective. Against this framework of management concerns, marketing professionals should assess their own activities, interests, and priorities. Marketing managers should give more attention to financial analysis, especially relating to measures of return on investment and return on assets employed, no matter if tangible or intangible. They should broaden their knowledge of financial management concepts, as well as their attitude and viewpoint on strategic management.

In the same time we recommend marketing managers to work to regain trust and credibility. Their own image should be improved, as well as the perspective on the marketing's strategic role.

Even if the influence of the marketing department in companies seem to continuously decline, CMOs tend to consider that the marketing's place in organization will improve. They are also willing to make significant changes for achieving this goal. This attitude seems to be related with the valorization of digital opportunities. The perspective is confirmed by the fact the marketing based on digital and technology is more effective than more traditional approaches. The dynamics of the last years might generate new opportunities for marketing to regain its central position in companies.

The debates between marketers and managers might be more intense in the countries with a younger market economy, where business practices are sometimes not so well established from certain perspectives, such as in the case of Romania and other former communist countries in Eastern Europe. In these economies, possible in other emerging economies too, marketing has not had time to set itself a prestigious position within the companies' strategies. So it might be even harder to address the decline of influence of marketing in general, associated with a dynamic and shifting business environment worldwide.

For marketing academicians, some sobering self-analysis may also be in order. Are we asking the right questions? Marketing is different from finance and production, the other areas of management decision-making where operations research and econometrics have been applied so forcefully and effectively. Marketing management is still more art than science and has yielded slowly to attempts to make it more scientific. Marketing data are by their very nature less precise, and cause-and-effect relationships are usually time-lagged and hard to pin down. Yet marketers aspire to the same degree of rigor that has characterized the analysis of their colleagues in these other functions. There is a real need for marketing researchers to refocus their attention on issues such as these, not just increasingly sophisticated issues of research methodology.

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