

Good example of essay on purpose of the report

[Business](#), [Company](#)



Abstract

The paper focuses on the evolution of the concept of marketing myopia presented by Levitt (1960) as the relevance of this concept has emerged once again in the form of new marketing myopia. In the light of case study of Tesco, the concept of new marketing myopia is analyzed. Many organizations in the 21st century face similar challenges just as Tesco because they fail to realize the stakeholders that they should address. To avoid this new marketing myopia, a number of steps have been recommended by the end to the report. The basic idea of the report is to involve all stakeholders and to institutionalize the processes of involvement.

[Student]

[Professor]

Introduction

The purpose of this report is to discuss the basic concept of marketing myopia, which was initially presented by Levitt in July-Aug edition of Harvard Business Review (Levitt 35) in 1960. On the basis of the work, the rise of new marketing myopia concept and its comparison with the old myopia concept is also discussed in the report (Dewhirst & Davis 87). Further, the report includes a discussion on these concepts in terms of establishment of differentiated knowledge and contribution in the field of marketing management. To meet the report objective, the case study of TESCO's marketing myopia is scrutinized in the paper.

Context of Report

The paper discussion is based on the work of professionals and academic writers so as to generate a better understanding of the concept of marketing myopia, thus, making their knowledge the context of this report. The discussion is done in relation to TESCO's marketing myopia that developed over time as well as the roots and implications of TESCO's case for managers, subordinates, and customers. Furthermore, the report develops a context of firm-customer relationship to conclude the factors that lead to the creation of marketing myopia including fateful purposes or shadow of obsolescence, dangers to R&D and pressures on production (Villarino and Font).

Background of the Case

Company Mission

According to the mission and core values of the company, it seems much centered to its customer, stating that we treat customers just like we need to treat customers as according to its business and mission, it is involved in the business at every level. According to Tesla, these values and kind of business and value-delivery help us to communicate to our customers that what they can anticipate from us. Furthermore, the vision and mission of Tesco is consisted of five elements that is to be needed and wanted, continuous growth, innovation, thinking global, acting local, gaining loyalty and trust from the customers.

Key Products

Tesco deals with various kinds of products and services. Groceries include Fresh Food, Bakery, Food Cupboard, Frozen food, drinks, baby food, health & beauty, pets food, household general groceries (with home delivery services and delivery savers). Tesco also deals with women and Men's Clothing, Kinds clothing and school Uniform. Tesco directly deals in technology & gaming, toys, home appliances, entertainment, beauty, and garden.

Key Markets

Tesco has half a million employees, who belong to twelve countries including, US, Poland, Malaysia, Ireland, India, Hungary, Lotus, Kipa, Czech Republic, Slovakia and China. Whereas, eighty million customers visit Tesco per week, including six online stores (Brown 281).

Origin and Evolution of the Concept

The concept of marketing myopia was first highlighted by Theodore Levitt in 1960. He analyzed the failure of organizations and industries. On the basis of his analysis, he concluded that failures are caused by wrong management decisions. The wrong business decisions happen due to a cramped vision of the top management. Levitt (1960) highlighted that railroads were going out of business because they focused on the "product" of railway, but not on the passengers' needs. It is to say that top management thought that they were in the business of providing railroad services (Maclaran). This cramped vision that solely focused on the product and not on the customer, led to the decline of railroad industry. Similarly, before the emergence of television industry, Hollywood defined its business as 'movie industry'. But with the

emergence of television industry, many businesses in Hollywood were ruined. What Hollywood producers did not understand was that it was not dealing in ' movie industry', rather it was dealing in the entertainment industry. As soon as an alternative emerged in the form of TV, only those Hollywood companies survived which adapted with this change. Therefore, the obsession of the organizations with the products, rather than the customer's needs leads towards marketing myopia as the whole marketing strategy revolves around the product, not the client. Such cramped vision in which the business firms overlook the real needs of consumers was named as ' marketing myopia' by Levitt (1960).

The origin of marketing myopia as a concept is embedded in the theory of ' creative destruction' described by Schumpeter. Creative destruction implies that with the emergence of a better alternative to fulfill the customer needs, the rest of the industry has to follow the new trend. This is to say that fulfilling the customer needs in a better way is more important than just pushing company's own products towards the customers (Schumpeter). Thus, organizations must destroy the outdated products and strategies and design new products to meet the customers' needs (Aghion & Howitt). After Levitt (1960) highlighted the importance of customer orientation, organizational awareness increased and customer focus became the most popular business orientation. Over the period of previous few decades, a new phenomenon has emerged, which has been named by several marketing gurus as " marketing mania" or " marketing hyperopia" (Kotler and Levy 13). This new form of marketing myopia suggests that the organizations have learnt the lesson of customer orientation too much. It is to say that by

focusing on the customer, the organizations have ignored all of the other stakeholders. Thus, they fail to recognize any socio-economic and environmental impacts of their business activities. In this manner, marketing has moved from one kind of cramped vision to another kind of cramped vision. This new marketing myopia has its roots in the stakeholder theory of marketing (Laczniak & Murphy 290). The stakeholder theory recognizes that a customer, while being a consumer, is also a citizen, community member, and a parent. Therefore, along with recognizing the consumer-hat that the customer wears, all these perspectives of a consumer's life should be kept in mind, for the sake of the company's own profitability. This will mean that to fully incorporate the dynamics of target market organization needs to adopt a more holistic view of what "customer orientation" means. The social and economic aspects of customers cannot be cast aside if right customer orientation is to be realized (Davis 25).

Marketing Myopia and Tesco

Marketing Concept

Marketing Relevance

Tesco definitely overlooked the changes occurring in the marketing environment as it didn't cater the customer needs, or to say it better, it did not cater all of its stakeholders by implementing outdated strategy of mass production accompanied with too much vagueness in its marketing orientation as it t and even ignored the relevant needs and demands of the customer as compared to its competitors. For instance, Tesco management knew that the customers want 'discounting' on many products but they did not pay attention to this and such issues. This meant inefficiency and cost

escalation while competing with competitors on several fronts but ignoring customers at the same time (Gummesson 260).

Marketing's Stakeholders

As described earlier, the customer is not being seen as a citizen, an employee, a parent, a member of community, or a global member with any strategic future but only a customer (Quelch & Jocz 830). However, the modern customers include many factors in the purchasing process that have changed the decision making and the context of the business today. The marketers at Tesco ignored the socio-economic and environmental concerns of the clients and suppliers excluding these factors from their marketing strategy, which was only focused on promoting their products and promotion packages. As a result, they had to face shrinking level of customer satisfaction (Laczniak & Murphy 288).

Managerial Recommendations

Both the concepts of marketing myopia have their own implications for managerial decision making. The implications of the concept of marketing myopia given by Levitt have long been widely implemented in the marketing strategy and overall business strategy of an organization (Levitt 45). A few major implications of the original concept of marketing myopia are given below:

Firstly, business organizations have to adapt to the changing environment and this adaption needs to be quick. The railway industry should have had realized that the other means of transportation are going to shrink their customer base. Similarly Hollywood producers should have adapted

themselves to the changing environment of the entertainment industry with the emerging trend of TV.

Secondly, the role of leadership becomes very important. Top management and middle management need to drive the organization according to the spontaneously changing environment.

Thirdly, from top management to the lower level staff, everyone should be clear that the customer is their sole focus. Delivering value to the customer should be the focus of business operations on every level. If only the top management recognizes the importance of customer orientation while the lower level staff does not pay heed to the client complaints, then the company can surely suffer from the disease of marketing myopia as their sales and customer loyalty will slowly shrink down (Kitchen and Proctor 6). Just as the original concept of 'marketing myopia', the new concept of marketing myopia poses many questions to the managers and practitioners. Some of the managerial implications that the new marketing myopia brings along with it are discussed below;

The managers should map out their company's stakeholders and get a holistic view of who their customers are,

After identifying the key stakeholders, their needs and expectations should be studied. This will help the organization in setting the goal,

The organization should actively involve its stakeholders by forming various focus groups. The idea is to get closer to them so that the organization can know them better (Smith et al. 10).

Finally these processes should be internalized and institutionalized in the organization. Just taking initiatives to address this marketing myopia once in

a while will not be sufficient as organization should take steps for more holistic decision making on daily basis. For this purpose, the processes should be internalized (Patel).

Tesco can adopt the steps mentioned above to avoid the form of marketing myopia which they are facing. By involving all stakeholders in decision-making, Tesco will be able to avoid its competitor orientation and focus more on the customer needs.

Conclusion

The concept of marketing myopia has inspired radical change in the marketing perspective. The evolution of concept of marketing myopia suggests that it has been the focus of managers lately that shows its practical applicability (LaPlaca 246). The new marketing myopia has put forward many challenges for the organizations. Tesco is facing similar challenges that have put it in a vulnerable position (Kotler and Keller). A number of ways can be adopted to avoid this new marketing myopia. The report suggests many recommendations that can be adopted to solve this problem. Finally, the study concludes that, if organizations such as Tesco want to keep growing, they need to incorporate the stakeholders' view and get a holistic picture of the customer needs.

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