

Critically evaluate doyles definition marketing essay



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Most academics and marketing practitioners consider that there are two basic approaches to marketing which are often categorised as being traditional or relationship based. The traditional approach to marketing has the acquisition of new customers as its central tenet. Indeed, Peter Drucker (1964, p. 91) suggested that a business only existed 'to create a customer'. However, organisations have increasingly begun to recognise that customer retention is as important, if not more so, than customer acquisition. The driving force behind this change in thinking has been the ever increasing cost of acquiring new customers (Holmlund and Koch, 1996). Therefore, in contrast to traditional marketing, the basic premise of relationship marketing is the development of customer relationships with a view to cost reduction within the organisation and increased shareholder value through the creation of high levels of customer satisfaction (Perrien and Ricard, 1995). Indeed, many relationship marketing theorists summarise the difference between relationship marketing and traditional marketing as the creation of 'customer satisfaction' rather than the 'creation of a customer' (Perrien and Ricard, 1995). In terms of the competitive advantage dimension of Doyle's definition, Porter's 'Generic Strategies' model (1980, p. 39 - see Appendix I) suggests that the traditional approach to marketing relies heavily on a strategy of cost leadership and price competitiveness. In contrast, relationship marketing focuses on differentiation, in terms of product and/or brand attributes, as a source of sustainable competitive advantage.

It can be seen, therefore, that Doyle's definition of marketing is closely allied to the relationship marketing school of thinking. However, Doyle's definition does not take account of the fact that the implementation of a relationship

based approach to marketing alone does not necessarily guarantee that an organisation will achieve a sustainable competitive advantage, or, therefore, a subsequent maximisation of shareholder returns. To have the potential for this, a relationship marketing programme must include attractive and relevant value propositions for customers, which should differentiate an organisation's brand and/or products from those of its competitors. In addition, these differentiated value propositions should not be easy for competitors to imitate (Barney, 1991). It is critical, therefore, that an organisation establishes exactly what value its customers are seeking in order for it to be able to design and deliver the appropriate value-enhancing benefits that will facilitate the building of meaningful long-term, and mutually beneficial, customer relationships (Christopher et al, 2002, p. 22).

Doyle's definition refers only to "valued customers" suggesting that they are a homogenous group. However, not all customers are alike and Newell (2003, p. 17) articulates this when he states that "Customers don't want to be treated equally. They want to be treated individually". Therefore, not only does successful relationship marketing rely on the creation of customer value propositions but also on the process of segmenting and targeting the most appropriate customers and then tailoring and positioning value propositions to appeal to the various, identified consumer segments. Furthermore, the segmentation of consumers by psychographic and behavioural attributes enables an organisation to understand the different motivational factors that influence those consumers in their purchasing behaviour towards specific brands or products, thus facilitating a more individual approach to customers. In addition, segmentation by this method

provides an organisation with an insight into the specific value benefits that its customers, and potential customers, are seeking when they make a purchase. This, in turn, assists in the creation of desirable and differentiated brands and/or products, and enables their effective positioning for the identified segments (Dibb et al., 1997). The segmentation, targeting, and positioning process is summarised in Appendix II.

Doyle's definition of marketing specifically identifies "developing relationships with valued customers" as a means of creating a competitive advantage. However, the definition makes no reference to any other stakeholder groups that an organisation may have, and will certainly need to interact with, if it is to build and sustain a competitive advantage. The 'six markets' stakeholder model identifies the key stakeholder groups that require attention from any organisation that adopts a comprehensive relationship marketing approach to the achievement of its business growth and profitability objectives (Christopher et al., 2002, p. 76 - see Appendix III). Whilst this model is certainly customer centric, it recognises different stakeholder groups as having the potential to engage in active relationships with the organisation and, therefore, be considered for inclusion within its marketing strategy. It is necessary for organisations to effectively manage relationships with all of these groups especially as they have an interrelationship with each other. For example, shareholders in an organisation are members of the Influencer Markets, but may also be part of the Referral Markets and the Customer Markets. Finally, and perhaps most importantly, in terms of support for Doyle's definition, research has shown

that there is a direct link between the adoption of a successful relationship marketing strategy and profit (Bhote, 1996).

None of this is to say, however, that traditional marketing does not have a role to play in the modern-day commercial environment. There is no doubt that many consumers have a short-term outlook, in terms of their purchasing behaviour, and are not necessarily loyal to particular brands. Indeed, such consumers may buy particular brands out of habit or they may actively search for brands regardless of whether or not they are being targeted by relationship marketing programmes (Kotler and Armstrong, 2011, p. 150). In this sense, Doyle's definition does not recognise the concept or value of traditional marketing. However, the many exponents of the traditional approach to marketing regard it as a distinct and dedicated management function within an organisation that is responsible for creating transactions with certain groups of customers that satisfy their immediate needs and wants whilst, at the same time, meeting the marketing objectives set by the organisation (Grönroos, 2006).

Organisations that deploy traditional marketing methods tend to view the marketing function as being responsible for the so-called four Ps, namely Product, Place (distribution), Price, and Promotion, rather than the management of customer relationships. Research has also shown that, in fact, very few organisations deploy exclusively either traditional marketing or relationship marketing. More often than not there will be a blending of the two marketing disciplines and, in terms of responsibility within an organisation, traditional marketing may be the domain of the marketing department with customer relationship management being a standalone

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function. In any case, the choice between using one of the two methods, and using both, should always be based on the industry in question and the needs of the customer. (Zinedlin and Philipson, 2007).

However, there remains no doubt that many consumers are willing, and able, to form emotional, as well as practical, transaction-based relationships with organisations. This is particularly the case where an organisation has a recognisable brand as consumers are more likely to identify with a brand, and remain loyal to that brand, than they are to an organisation. Loyalty by customers to a brand is known to be a prime factor in the creation of sustainable competitive advantage and, therefore, business growth and profitability (Aggarwal, 2004). It is for these reasons that, according to Kotler and Armstrong (2011, p. 259), of all the assets owned by an organisation, the brand is the perhaps the most enduring and valuable in terms of its ability to generate shareholder wealth. Consequently, although Doyle's definition of marketing has been seen to exclude the still relevant dimension of traditional marketing, it can be effectively applied to the creation and management of the marketing strategy of an organisation. Even so, Doyle's definition does not go far enough in its attempts to encompass the practice and value of relationship marketing as it does not specifically refer to the strategically significant role of brands in building sustainable competitive advantage.

Consequently, to apply Doyle's definition in a practical sense to the creation and management of an organisation's marketing strategy, it is first necessary to discuss and evaluate the role that branding and brand reputation plays. As has already been shown, true relationship marketing
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demands that brands, and their inherent value propositions, are positioned in a differentiated and competitive sense against the various identified consumer segments. This is only the first step in the branding process and it is critical to the building of a sustainable competitive advantage that, over time, an organisation is able to build and sustain its brand reputation. Brand reputation is to do with how customers think and feel about a brand and, in order to develop brand reputation organisations need to have certain 'building blocks' in place to enable customers to feel confident in developing meaningful relationships with the brand (Keller, 2003). These building blocks include brand salience, performance, imagery, and resonance, which all impact on the judgements consumers make about a brand and, ultimately, how they will behave towards it. This process of brand reputation building is summarised in Appendix IV.

If the process is followed effectively, then customers will ultimately progress from understanding, and empathising with, the brand's value propositions to having a resonance with the brand and being ready to form an emotional relationship with it. To maximise the value of this potential emotional relationship, organisations have to take advantage of every available opportunity to ensure that engagement between their brand and their customers is positive. These engagements can comprise a number of so called customer 'touchpoints', such as direct marketing, helplines, advertising, and social media. Every time that a customer engages with a brand through a touchpoint that customer's views and opinions about the brand are formulated and, ultimately, this will influence attitudes and behaviour towards the brand. Indeed, Doyle himself (1998) suggested that,

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by maximising the positive and integrated nature of customer engagements with their brands, organisations could enhance their overall brand reputations. Consumers who form emotional relationships with brands can actually become so enthusiastic about these relationships that they develop a loyalty to the brand and may even progress as far as becoming so called 'brand advocates', recommending the brand to friends, family, and members of their peer and reference groups (Aggarwal, 2004). If the organisation carefully nurtures these loyal customers and brand advocates, then they can become immensely valuable, in terms of future shareholder returns, and groups of them may even form themselves into brand communities on social networking sites, such as Facebook, where their influence over other customers and potential customers will be even greater.

In summary and conclusion, it can be seen that the successful management of an organisation's customer relationships can lead to customer loyalty and advocacy and is a key factor in an organisation's ability to establish and maintain its competitive advantage, which, in itself, is a prerequisite for growth and profitability in today's globalised and highly competitive marketplace. Although Doyle's definition recognises the increasingly significant role of customer relationship management within the marketing discipline, it fails to take account of the other key stakeholder groups that interact within an organisation, and with each other. Equally, certain strategically important aspects of a comprehensive relationship marketing strategy that will maximise competitive advantage and, in turn, shareholder returns, are not referred to in Doyle's definition. These shortcomings include a lack of recognition of the value and role of brands in the marketing process

as well as the significance of segmentation, targeting, and positioning. In addition, Doyle's definition totally excludes any reference to the important role that traditional marketing is still able to play within a successful marketing strategy

Even so, although Doyle's definition does fall short in certain areas, it is still a solid foundation for the framing of an organisation's marketing strategy. This is because modern-day organisations have to understand that, in order to deliver the returns that their shareholders demand, a significant element of marketing practice has to be focussed on the building of long-term, mutually beneficial relationships with customers rather than on new customer acquisition. This is especially true as consumers not only have an increasingly heightened awareness of brands but also take more account of a brand's reputation when making a purchasing decision. Equally, consumers are more willing to express their brand awareness by either defection from, or loyalty to, particular brands. Organisations can encourage customer loyalty to their brands by developing and communicating, at every available opportunity, consistent, relevant, and powerful brand propositions that are customised to their identified market segments. In this way, brands can build competitive advantage through differentiation rather than through the adoption of low pricing policies which impact negatively on profitability and, thereby on shareholder returns.
