

DISPATCHESTM

Insights On Brand Development From The Marketing Front

Sunday, February 1, 2009

STATE OF MARKETING SURVEY – IMPORTANCE OF MARKETING

Marketing has and continues to evolve in importance, function and form either for better or worse. Each week, for the past several years, we have been sharing our knowledge about marketing best practices (including principles, processes and tools) with you through DISPATCHESTM to help empower marketers to achieve true excellence.

At the end of 2008 we initiated a survey with you subscribers of DISPATCHESTM to solicit your thoughts regarding the state of marketing as it is currently perceived and practiced throughout the world. The purpose of the BDNI “State of Marketing Survey” is to gain a fix on where marketing stands both in the absolute and relative to other functional areas by sector and geography as perceived by different levels of marketing management.

We are now ready to share the results from the survey with you all. From our database a total of 182 managers, from around the world and a variety of industries, responded to the survey. Please note that what we are sharing with you is directional in nature since the sample is from our database and not the population at large. Nonetheless, we believe this will provide you with a good feel for the current State of Marketing.

This is the first article, which tackles the perceived importance of marketing, in a series to mine learning from the State of Marketing Survey.

Personal: Position by Sector and Geography

A total of 161 managers (from the 182 who responded to the survey) shared their position with us. Of this total we categorize 52 (nearly one-third) as senior managers. We define senior managers as including: General Managers, Country Managers, V.P. Marketing (& Sales), Director and Franchise Managers. The vast majority of senior managers responding are from North America (35 or two-thirds of the total) and the Pharmaceutical Sector (22 or 42%).

Responders: Personal – Geography Sector

	Total		Sector								Geography					
	(161)		FMCG (47)		Pharm (50)		MDD (42)		Other (22)		NA (90)		Europe (47)		Asia/Other (36)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
• General Manager	6	4	1	2	0	0	0	0	5	23	6	7	0	0	0	0
• Country Manager	2	1	0	0	1	2	0	0	1	4	0	0	2	5	0	0
• VP Marketing (&Sales)	9	5	3	6	4	8	1	2	1	4	5	6	1	3	2	6
• Director	29	18	4	8	17	34	5	12	3	14	23	27	2	5	3	9
• Franchise Mgr	6	4	5	11	0	0	1	2	0	0	1	1	2	5	3	9
• Group Product/Brand Manager	24	15	9	19	8	16	4	10	3	14	9	11	5	14	9	27
• Product/Brand Manager	45	28	13	28	12	24	17	41	3	14	21	24	13	34	10	31
• Asst/Assoc Prod/Brand Mgr	12	7	6	13	4	8	1	2	1	4	11	13	0	0	1	3
• Marketing Manager	28	18	6	13	4	8	13	31	5	23	10	11	13	34	5	15

Perceived Importance of Marketing

We queried respondents as to the importance of marketing in their organization as perceived by their senior managers and themselves. Specifically, we asked for “yes” or “no” responses to the following statements: 1) Senior Management perceives Marketing as the most important function in the company; and 2) I feel that Marketing should be perceived as the most important function in the company.

As shown in the chart below the majority of total responders believe that Senior Management does NOT perceive marketing to be the most important function in the company (59% state “no” versus 41% “yes”). The FMCG (Fast Moving Consumer Goods) and Other sectors along with Asia/All Other Geography are the sole breakouts in which respondents believe that Senior Management perceives marketing as the most important function. The MDD sector and European Geography take the most exception to the statement (with 82% and 75% claiming “no,” respectively). (Please note that nearly two-thirds of respondents from Europe are MDD managers in this survey.) This perceived lower regard for the importance of marketing may be attributed to the unique role of sales personnel in MDD since many provide important training to surgeons and may even work in the operating theatre with them. It may be further explained by the fact that many MDD marketing personnel are former sales personnel and/or engineers. Additionally, MDD marketing tends to be geared primarily toward sales support and may not have had the opportunity to establish successes.

Marketing Importance – How We Believe Sr. Mgt. Perceives Marketing

	Total		Sector								Geography					
	(183)		FMCG (51)		Pharm (52)		MDD (50)		Other (30)		NA (96)		Europe (47)		Asia/Other (36)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
• Senior Mgmt Perceives Yes	76	41	28	55	22	42	9	18	17	57	39	41	12	25	22	61
• Senior Mgmt Perceives No	107	59	23	45	30	58	41	82	13	43	57	59	35	75	14	39

On the other hand, the vast majority of responders assert in the positive that they believe Marketing should be perceived as the most important function in the company by a 4:1 margin (80% state “yes” with 20% “no”) in total. This is true for all sectors and geographical areas. It does not surprise in that one would expect those within a given function (in this case marketing) to believe that their discipline should be the most (or at least one of the most) important. However, once again the most dominant affirmative responses are with the FMCG and Other sectors along with the Asia/All Other Geography.

Marketing Importance – How We Believe It Should Be Perceived

	Total		Sector								Geography					
	(182)		FMCG (51)		Pharm (52)		MDD (50)		Other (29)		NA (95)		Europe (47)		Asia/Other (36)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
• I perceive Yes	147	80	48	94	42	81	32	64	25	86	76	80	32	68	35	97
• I perceive No	35	20	3	6	10	19	18	36	4	14	19	20	15	32	1	3

Most Important Function

So what is the most important function in the Company? We posed the following question to respondents: “The most important function in my organization, as perceived by senior management, is viewed as ...” The response for the marketing function is consistent with the previous question. The “sales” function dominates MDD and Europe. Product R&D, while not a significant number, appears to be more important within Pharm and North America. This may be attributed to the importance of bringing compounds to market, which requires significant clinical testing and regulatory screening.

Most Important Function

	Total		Sector								Geography					
	(176)		FMCG (50)		Pharm (50)		MDD (50)		Other (26)		NA (90)		Europe (47)		Asia/Other (26)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
• Marketing	62	35	26	52	17	34	3	6	16	61	33	37	8	17	18	50
• Sales	79	45	15	30	19	38	37	74	8	31	32	36	31	66	16	44
• Finance	7	4	4	8	0	0	2	4	1	4	2	2	3	6	2	6
• Manufacturing	4	2	1	2	2	4	1	2	0	0	4	4	0	0	0	0
• Product R&D	20	12	4	8	9	18	6	12	1	4	16	18	4	9	0	0
• Legal/ Regulatory	4	2	0	0	3	6	1	2	0	0	3	3	1	2	0	0

Where Do CEOs Come From?

In response to the question “The CEO in my organization comes from” more than 40% state “marketing” (43%) with close to two-thirds (62%) for FMCG and virtually three-quarters (74%) in Asia. Marketing appears to be contributing the most CEOs in all sectors and geographies with the exception of MDD and Europe. In the MDD sector (in which our sample skews Europe) nearly two-thirds of the CEOs are from Sales. We believe the answer raises important questions regarding the importance of marketing and may help explain the answers to previous questions. One would expect that if the CEO comes from marketing then marketing is going to be perceived as a very important, if not the most important, function within the company. Yet perceptions of the importance of marketing don’t live-up to CEO origins.

CEO Origins

	Total		Sector								Geography					
	(156)		FMCG (47)		Pharm (44)		MDD (43)		Other (22)		NA (82)		Europe (41)		Asia/Other (30)	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
• Marketing	67	43	29	62	21	48	8	19	9	41	36	44	8	20	22	74
• Finance	26	17	6	13	12	28	4	9	4	18	20	25	5	12	0	0
• Product R&D	12	7	2	4	5	11	2	5	3	14	11	13	0	0	1	3
• Legal/ Regulatory	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
• Manufacturing	6	4	2	4	1	2	3	7	0	0	4	5	2	5	0	0
• Sales	44	28	8	17	4	9	26	60	6	27	10	12	26	63	7	23
• Human Resources	1	1	0	0	1	2	0	0	0	0	1	1	0	0	0	0

BOATS & HELICOPTERS:

Given the aforementioned one might conclude the following:

1. If you are interested in a career in marketing, where you will be appreciated and have a chance to develop into a CEO, then be a FMCG marketer and, if possible, go East (i.e., to Asia).
2. If you relish challenges then the MDD and Pharmaceutical sectors, and Europe, appear to be the place for you to demonstrate the importance of marketing and your skill as a marketer by establishing a success there.
3. If you are in either the MDD or Pharmaceutical sector you need to demonstrate that marketing is, indeed, worthy of being perceived as more important.

We hope this stimulates and provokes your thinking. Let's get a dialogue going regarding the Importance of Marketing. [Please blog your comments](#) and/or questions here. Let's share to learn what you and others think. And, what if anything, we can do about it.

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