MARKETING UNDER FIRE: THE HEAT IS ON

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ABSTRACT

Dalam era globalisasi sekarang ini dimana dunia perdagangan mengarah pada perdangan bebas, diharapkan setiap pelaku dunia usaha dapat memanfaatkan dan mengoptimalkan setiap peluang yang ada. Penelitian ini penulis menyajikan strategi pemasaran berdasarkan teori dan pustaka yang ada, dimana diperlukan suatu rencana dan strategi pemasaran yang komprehensif dan selalu melakukan inovasi dan improvisasi dari setiap pelaku bisnis, baik dalam hal pemasaran, juga dalam memenuhi kebutuhan dan keinginan pelanggan secara lebih efektif dan efisien maupun atas produk yang dihasilkan.

Strategi pemasaran perlu diperhatikan adalah mutu dari produk yang akan dipasarkan dan tingkat kebutuhan konsumen atas produk serta yang tak kalah pentingnya adalah harus memperhatikan persaingan pemasaran atas produk yang sama yang dilakukan oleh pelaku usaha lain sehingga dapat tercapai target yang diharapkan, yaitu kepuasan pelanggan.Untuk dapat diperoleh hasil yang baik sesuai dengan strategi pemasaran yang akan dilakukan diperlukan suatu hubungan yang interaktif dan terintegrasi antar bagian dalam suatu pelaku bisnis, sehingga dapat diperoleh suatu mutu produk yang sesuai dengan yang diharapkan.
Selain itu dalam strategi pemasaran harus pula memperhatikan strategy harga dan pelayanan yang diberikan oleh perusahaan maupun agen-agen atau pihak ketiga lainnya. Sehingga tanpa adaya suatu perencanaan dan strategi yang matang yang melibatkan semua bagian dalam pelaku bisnis, maka akan memeproleh kesulitan dalam mencapai tujuan dalam memasarkan produknya.
Keywords: strategi pemasaran, kepuasan pelanggan

1. Introduction

The case study “Marketing Under Fire: The Heat Is On” presents a complete assessment of the marketing process. In the case study, the focus is on marketing productivity which includes both efficiency (doing things right) and effectiveness (doing the right things). The case study assesses marketing tools such as Measuring Productivity, Achieving Balance, Collaborating, and Methods of Improving Marketing Efficiency. The marketing tools are explained in detail an examples of firms are presented to support their effectiveness. Analysis of the case study shows it is consistent with marketing theory as well as thorough in its assessment of the marketing process, and therefore an excellent guide for formulating a marketing strategy.

2. How “Interactive” And “Integrated” Relate To The Case Study

“Interactive” and “Integrated”

An “Interactive “ marketing plan has an open line of communication between the business and customers, enabling you to keep your customers informed about your business and listen and act on their responses. An “Integrated” marketing plan consistently reinforces the marketing message, by every department within the company. “Interactive” and “Integrated” marketing is as much a function of the finance and manufacturing areas as it is the advertising and public relations areas (Berman and Evans 1997:647). Therefore, “interactive” and “integrated” marketing is a holistic approach to marketing: brand manager need to view their jobs as managing the total quality of their products or services (Bagozzi, Rosa, Celly and Coronel 1998:322-3). The marketing concept as a whole is the key to achieving organizational goals, and consists of being more effective than competitors in integrating marketing activities toward and satisfying the needs and wants of target market (Kotler 1997:19). Also, the marketing concept is link target market, customer needs, integrated marketing and profitability (Kotler 1997:19).

The buzzwords “interactive” and “integrated” relate to the case n their centrality to a successful marketing plan; a successful plan needs to be both. Similarly, the concepts highlighted in the case study all aim to be interactive and integrated. A discussion of the marketing concepts and theoretical issues defines the relationship between the buzzwords “interactive” and “integrated” and the case study. Measuring Productivity aims to achieve “effective efficiency”. Specifically, the goals of Measuring Productivity are acquiring and retaining customers; these relate directly to the goals of “interactive” and “integrated” marketing in their importance of listening to customers. The discussion shows various strategies have been developed by multinational companies finding advantages using certain strategies, such as Proctor and Gamble finding advertising achieves higher customer retention than sales promotions. However its points out that the current lack of “interactive” advertising prevents “addriven trial”, ie. measurement of productivity. The discussion on Achieving Balance shows the importance of a balanced marketing strategy; this sums up the aims of “interactive” and “integrated” marketing. Collaborating relates directly to the buzzword “integrated”, in its aim to improve market efficiency and productivity. Similarly, moving the tasks up the marketing chain by outsourcing to suppliers or down the chain to the customer aims to achieve integration. Alternatively, the marketing mix can be altered, and the product can be altered to incorporate marketing tasks, or to reduce product proliferation. Finally, pricing and service strategies can be altered as a means of integration.

3. Five Case-Related Recommendations For A Quality Marketing Plan

For a marketing plan to be properly integrated, all of its various parts need to be unified, consistent and coordinated for a total quality approach to be followed. According to Kotler (1997:55) “quality is the total of features and characteristics of product or service that bear on its ability to satisfy stated or implied needs”. The marketing concepts identified in the case study that are consistent with the achievement of a total quality marketing plan are:

i. Measure Productivity

   It is important to measure productivity in both quantitative and qualitative terms. Measurement productivity may be either a one-time event or an ongoing activity. Thus productivity is measured once or as a monitoring system (Berman 1998:52). By measuring customer acquisition and retention, a reliable measure of productivity is achieved, which is imperative in both the market research and the marketing plan and its evaluation.

ii. Employ Effective Efficiency

   Effective efficiency balances the productivity of customer acquisition against customer retention in relation to the firm’s goals. This is important to ensure that the strategy is effective as well as efficient. Efficiency as good as effectiveness gains are to be more favorably viewed than those that only yield effectiveness gains (Berman 1998:59).

iii. Achieving Balance

   The benefits achieved from the marketing strategy have to be weighed against the costs incurred. Further, the marketing mix has to cover the necessary requirements of the marketing strategy in order to be effective. According to Lovelock, Patterson, Walker (1998:24), marketing strategies for manufactured goods, that is the nature of the decisions to be made by marketing managers, have long been enshrined in the four elements of the marketing mix. These are: (a) *product*, that is deciding on the product such as features, packaging and performance characteristic; (b) *price*, that is establishing the selling price to customers such as setting trade margins and credit terms; (c) *place*, that is selecting the types and locations of outlet through which the product is to be sold and determining the nature of intermediary channels between the factory and the place of sale, and (d) *promotion*, that is deciding how best to communicate to the target audience and how to persuade them to buy it. An effective and efficient marketing strategy achieves a balance between the elements in the marketing mix, and between the costs and benefits to the firm.

iv. Collaborating

Partnering, relationship marketing and marketing alliances should be considered to increase resource efficiency and customer satisfaction, and ultimately improve productivity, according to the case study. The firms should look at collaborating is discussed in more detail in Part 8 “Partnering, Relationship Marketing and Marketing Alliances”.

v. Improve Marketing Efficiency

Improving Marketing Efficiency has the same aims as collaborating. The following methods are available to improve marketing efficiency:

- Outsource to suppliers
  Outsourcing enables the firm to focus on its core business and disposing of the less productive functions. According to the case study, Southwest Airlines has a very low cost structure that allows it to turn a profit on a $50 ticket. So, it cannot afford to spend $25 of marketing effort on getting a customer. Price is the key for out-suppliers: out-supplier could try to get their profit opportunities in the door by an especially low price (Kotler 1997:220).
- Outsource to customers, ie. have customers take cover some tasks.
  Through studies market researchers have seen a rise in customer satisfaction, the use of technology, the application of single-source data collection, ethical considerations and the complexities of international marketing research (Berman and Evans 1997). In the case study, direct marketer Laura Ashley is successfully outsourced its inbound and outbound logistics functions to Federal Express. That was a 10% reduction in costs, along with a dramatic improvement in product availability and the launch of a new worldwide, 48 hours direct delivery service.
- Move marketing tasks to another place.
  According to McCarthy et al (1997:351), accumulating and allocating are used to adjust for discrepancies in quantity by firms. Cheaper transport rates are achieved. This benefits food-processing companies in particular, by making it easier to buy and handle the product.
- Change the marketing mix; eg. amongst R&D, advertising, promotions, brand name, etc. “Marketing mix is the set of marketing tools that the firms uses to pursue its marketing objectives in the target” (Kotler 1997:92). The marketing mix is discussed in more detail in iii. Achieving Balance.
- Incorporate marketing strategy in product research and development to prevent unprofitable product proliferation. As discussed in the case study, product proliferation it apt to occur with current manufacturing processes.

4. "Typically, Productivity Has Been Measured As The Quantity Of Output For A Given Amount Of Input"

The above statement is inconsistent with current marketing objectives. Productivity is the effective efficient use of resources to achieve outcomes (Berman 1998:6). Effectiveness is the level of outcomes and efficiency is the ratio of outcomes (and output) to input (ibid). The case study supports this, pointing out that the statement fails to "adjust for changes in the desirability of the output". Further, "the quantity of output" contains no measure of effectiveness, as explained in the case study's discussion of Measuring Productivity. Similarly, a "given amount of output" is merely quantifiable. The discussion includes quantity in its more accurate measurement of productivity: "the amount of desirable output per unit of input".

Sevin (1965:9) has also defined marketing productivity in more specific terms as: "the ratio of sales or net profits (effect produced) to marketing costs (energy expended) for specific segment of the business". Further, this definition defines the scope of the concepts of 'marketing productivity' and input and outputs.

Despite the limitations of the aforementioned statement, all the above definitions of productivity serve to relate inputs (resources consumed or costs) to outputs (revenue) in the firm, thereby enabling marketing managers to plan future activities (Wilson and Gilligan 1997:107).

5. How A Firm Can Benchmark The Performance Of Its Sales Force

Benchmarking, a performance standard, is a useful tool for a company to properly assess the effectiveness of its marketing plans (Berman and Evans 1997:656). This involve a firm setting its own marketing performance standards based on the competence of the best companies in its industry, innovative companies in other industries anywhere around the world, the prowess of direct competitors, or prior actions by the firm itself (ibid:656). There are various forms of benchmarking:

- *Strategic benchmarks* for business performance are measures which set overall direction and show managers how others have succeeded in similar circumstances.
- *Process benchmarks*, in contrast, usually indicate standards which should be achievable in day-to-day operations, given the willingness to learn.

In order to benchmark the performance of its sales force, the firm can use the productivity measures discussed in the case study: tangible measures such as a number of calls or number of transactions, and intangible measures such as customer acquisition, competitors and retention. The firm's success also depends on how well each department performs its work together as well as goods the various departmental activities are coordinated. The solution for this case is to put in place smooth management of the core business process.

The core business process consists of: (a) new product realization process; (b) inventory management process; (c) order to remittance process; and (d) customer service process (Kotler 1997:45).

6. Effective Efficiency

The statement "marketing must pursue the ideal of effective efficiency in all programs and processes, neither objective is adequate by itself" is a central statement in the case study from the perspective of customer satisfaction research.

"Marketing is the art of attracting and keeping profitable customers" Kotler (1997:52).

Customers satisfaction is the positive reaction to the past service efforts of an organization and influences relationship commitment because it insulates the firm also against competing service offerings (Lovelock, Patterson and Walker 1998:161).

Customer satisfaction is a match between a customer's expectations and the actual performance of that good or service, including customer service (Berman and Evans 1997:659). Customer satisfaction research provides the ability to pursue the ideal of effective efficiency, via a productivity measurement of customer satisfaction to expectation. In the case study, in the beginning 1980s, Citibank attempted to speed the use of ATMs in New York by requiring customers with total account balances below a set amount to use only ATMs for a specified list of transactions.

Effectiveness is the inclusion of very specific concepts such as output quality, client satisfaction and the goal attainment to the inclusion of large board concepts as systems maintenance or the ability of the company to survive (Kearney and Berman 1999:11). Efficiency is ratio of the resource inputs to accomplishment outputs (Berman 1998:7). So, efficiency is important for helping budgets further and for competing service providers in marketing (Berman 1998:7).

From the case study, effective efficiency is a broader view of productivity that incorporates the productivity of customer acquisition, customer retention and then, according to firm's goals. Effective efficiency synthesizes the need for effective efficiency at all stages of production, as described in the above statement.

One example of the employment of effective efficiency is the approach of total quality management (TQM). TQM aims to improve the effectiveness and flexibility of business as whole (Oakland 1989:14). It is essentially a way of organizing and including the organization; every department, activity, single person at every level. For an organization to be truly effective, each part of it must work properly together, recognizing that every person and every activity affects and in turn is effected by others.
Thus, effective efficiency in all programs and processes in marketing aims to reduce costs and increase revenues, while other strategies aim to up the efficiency of resources. These strategies are connecting with industrial engineering, operation research and management science approaches to productivity improvement (Berman 1998:193). In summary, effective efficiency, as described in the case study, is the complete synthesis of the marketing process to achieve the firm's goals.

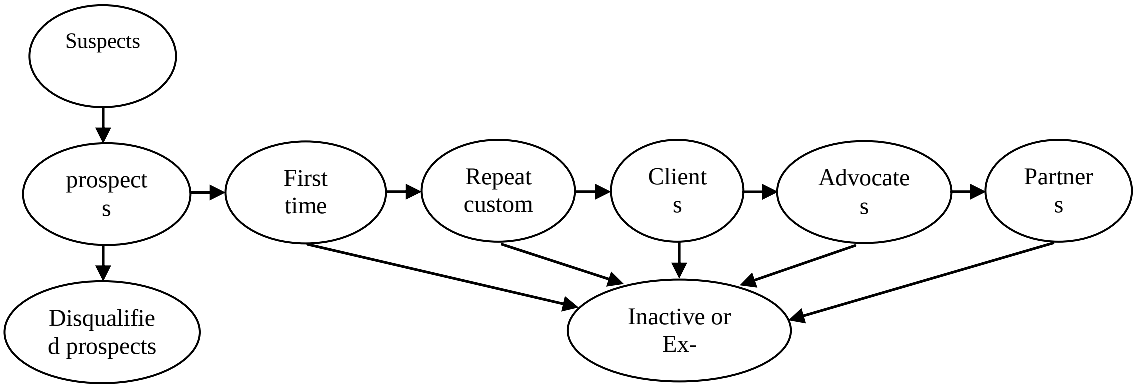
7. Partnering, Relationship Marketing And Marketing Alliances

7.1. Partnering

Partnership are consistent with building network organizations, that is organizations that are connected by serving a common purpose but that have different owners (Hesselbein 1997:136). So, value of partnering through partnership, organizations extend their capabilities and build mechanisms for join decision making and cooperation. Also, the author explains the downside is reduced control and increased uncertainty about future capabilities. Then, value of partnership marketing that is company works continuously with the customer to discover ways to effect customer savings or help the customer perform better (Kotler 1997:49).

7.2. Relationship Marketing

The figure 1 below "The Customer Development Process" by Kotler (1997:49) describes the process of relationship marketing.



The Customer Development Process. Sources: See Jill Griffin, Customer Loyalty: How to Earn It, 1995, Lexington, New York (in Kotler, 1997:48).

From figure 1, the first point is *suspect*, which is everybody who could conceivably buy the product or service. The company examines the suspects to determine who are the most likely *prospects*-the people who have a strong potential interest in the product and the ability to pay for it. *Disqualified prospects* are those whom the company reject because they have poor credit or would be unprofitable. The company needs to convert many of its qualified prospects into first-time customers and to then convert those satisfied *first-time* customers into repeat customers. Both first –time and repeat customers can continue to buy from competitors as well. The company acts to convert repeat customer into clients-people who buy only from the company in the relevant product categories. The next challenge is turn clients into *advocates*, customers who praise the company and encourage others to buy from it. The ultimate challenge is to turn advocates into partners, where the customer and the company work actively together. At the same time it must be recognized that some customers can in inevitably drop out, for reasons of bankruptcy, moves to other locations, dissatisfaction. The company's challenge is to reactive dissatisfied customers through win-back strategies. It is easier to retract ex-customers than to find new ones (Kotler, 1997:48-9).

Wilson and Gilligan (1997:190), the value of relationship marketing is such (1) search effort and location convenience and then the most profitable long-term relationship can be developed; (2) expectations both sides; (3) the organizations can work together more closely; and (4) operating processes on both sides might need to be changed so that cooperation might be made easier.

7.3. Marketing Alliances

Marketing alliances are a form of strategic alliance, which are (a) product or service alliance; (b) promotional alliances; (c) logistic alliances and (d) pricing collaborations (Kotler 1997:8-6). Hence, The value of marketing alliances firms have give creative though to finding partners who could complement their strengths and offset their weakness. So, when good managed, alliance allows firms to obtain a greater sales impact at less cost.

8. Outsourcing Marketing Tasks To Suppliers And Customers

8.1. Outsourcing to Suppliers

Outsourcing (suppliers is the purchase of a value-creating activity from an external supplier (Hitt et al: 1999:110). As discussed in the case study, a firm should outsource marketing tasks to suppliers when it results in better economies of scale and the ability to focus on and develop core-activities, thus improving profitability.

According to the case study, every marketing activity should be evaluated in terms of a "make vs. buy" decision. The automotive industry is an example of an industry which "whole strategy worldwide now … is to get down to your core vehicle-producing operations and getting rid of everything that doesn't contribute to those areas" (Hitt et al: 1999:110). With respect to technology, for example, research show the major reason for the worldwide trend of outsourcing is because "few companies can afford to develop internally all the technologies that might lead to competitive advantage in the future" (ibid : 110). Therefore, companies benefit from outsourcing suppliers by achieving a focus on core activities and thus a competitive advantage not otherwise possible.

8.2. Outsourcing to Customers

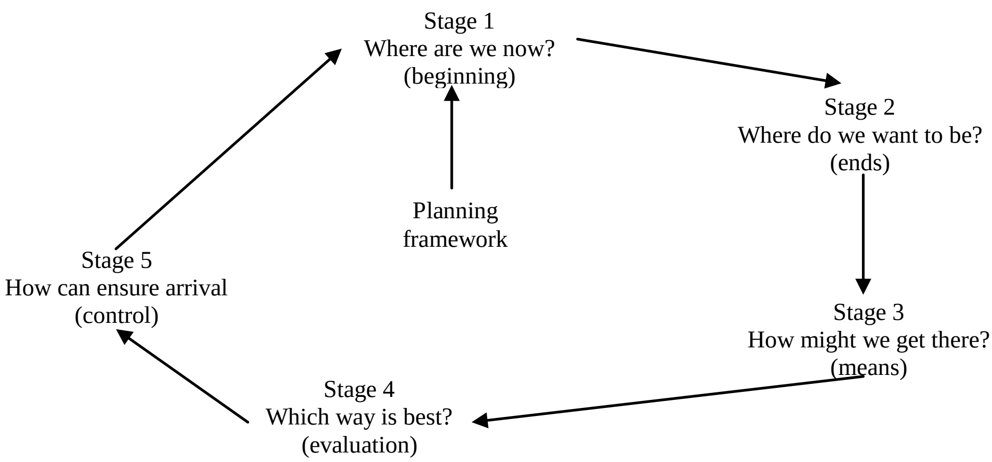
Firms can simultaneously lower costs and increase customer satisfaction by outsourcing to customers. This is effectively outsourcing service, so that the service is imbedded in the product and the customer serves himself. As discussed in the case study, telecommunications companies provide software to customers that enable them to do this, and banks provide customers with operating access to bank services. This is beneficial if the level of customer satisfaction "achieves balance" with the reduced need for customer service. Outsourcing to customers is also used to conduct market research, and is used by companies such as MasterCard.

9. Determining Whether There Are Too Many Product Versions On Offer

The case study discussed product proliferation, which occurs when product lines can be increased without substantially raising unit costs. However if products are expanded beyond what the market needs, fragmentation and an increase of marketing costs will occur, such as in ads, salespeople, and the reduction of the ability to forecast sales. Therefore, the profitability of both producing and marketing a new product, should be determined, as well as the market needs, before the product lines expanded.

If a firm offers too many product versions to customers is will increased customer selectivity to product and increases in disposable income and the number of products available, customers have been able to satisfy many of their wants and have therefore become more selective when choosing products. However, we should do and following product plan as Figure 2 "The Product Plan" below demonstrates the stages in planning a product. These stages all involve market research, and therefore show that marketing is required in order to determine a product's viability (Wilson and Gilligan 1997:391).

Figure 2 the product plan



Source (Wilson and Gilligan 1997:391)

Explains figure 2: the first is from the beginning such as what kind of product offered, how is packing, quality, product feature, styling, size and color variants. The second is the ends from stage 1 or controlling. The third is how might we get there such as distributors, suppliers and others. The fourth is evaluation such as test marketing for customers products and standard test market. The fifth is controlled all stage and continues to stage 1.

10. Conclusion

The analysis of the case study supports its usefulness as a complete guide for assessing a marketing strategy. The theory researched is consistent with the concepts presented in the case study, and the concepts are presented clearly and with relevant examples. The concept of effective efficiency is all-encompassing with the goals of marketing, and therefore an excellent standpoint for assessment of a firm's marketing strategy.

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