MARKETING, as a function, is in trouble. It just doesn’t excite the CEO. World-wide, CEOs spend more time talking with their chief finance officers (CFOs) and chief operating officers (COOs) than they do with their marketing chiefs — and the reason isn’t far to seek. CFOs and COOs speak the CEO’s language, whereas the marketing guys don’t.

“It’s not that CEOs are not concerned about price pressure or for marketing professionals since it means few of them ultimately get to be promoted to CEO. Kumar gives the example of Niall FitzGerald, chairman of Unilever, who comes from a finance background and has been quoted as saying that he is a marketer by instinct and a financier by training.” So what can the marketing professional do to get the CEO’s attention, and then later the CEO’s job?

Kumar, who is working on a book titled “Marketing As Strategy: The CEO’s Agenda for Driving Growth and Innovation,” to be published by

No More CMO?
The role of the Chief Marketing Officer is under threat, warns Prof Nirmalya Kumar, unless marketing wakes up and starts thinking big

differentiating their products in the market place or satisfying customers — these issues are at the top of their mind,” says Nirmalya Kumar, Professor of Marketing and Director of Centre for Marketing at London Business School. “The importance of marketing as a mind-set has gained momentum across the entire organisation, while marketing as a function has lost ground.”

The problem with marketing today is that it operates at a narrow, tactical, four-P level, which CEOs are not interested in. It also lacks return on investment orientation, which CEOs find annoying. “We need to think in terms of cross-functional, strategic and bottom-line oriented initiatives,” says Kumar. “EVA, balanced scorecard have these three characteristics, and they’ve captured CEO imagination.”

All this doesn’t bode too well for Harvard Business School Press, suggests seven initiatives. All of them are marketdriven strategic initiatives which have been implemented in some of the world’s top companies in recent times. And they can now serve as models for marketing professionals elsewhere.

The first is brand rationalisation, of which Unilever provides a case study. The FMCG giant is paring its portfolio of 1,600 brands down to 400, a major cross-functional, strategic, bottom-line oriented exercise. For the marketing department, the challenge is to keep the customers, while getting rid of the brand and the strategies could be manifold. If the brand is not apart of the core business, it may be sold to someone for whom it would have greater value.
Market Realities

Okay, so you’ve thought it over and none of these initiatives seem to work for you and your company. Don’t despair. Kumar has three more suggestions to offer. The fifth initiative is to restructure the whole company. Global companies have always tended to organise around products and countries. Today, with big-time retailers like Wal-Mart accounting for 17 per cent of Procter & Gamble’s sales, many companies are re-organising themselves around customers.

Says Kumar, “Over time, branding rationalisation has the power to become an attention grabbing marketing initiative, involving every other department. Another such initiative is the move from market segments to strategic segments. An example here would be in the airline industry. A low cost airline is totally different from the traditional airline, since it involves a total makeover of operations and purchasing, as well as marketing.

The third initiative that marketing can embrace as its own is the move from selling products to providing solutions. It’s a shift that technology giants like IBM went through, as their computers became commoditised and they began to focus on services and solutions. The initiative can be applied to a whole range of commodity industries and its execution would be cost rational—after all, once you’re focused on solutions, you can buy the commodity from anywhere it’s cheapest.

Another marketing initiative that has wide strategic implications is channel migration. In India, the big migration is from the traditional wholesale-retail channel to new options like supermarkets and malls. In the west, the big shift was to the Internet. “Today, 50 per cent of America’s airline tickets are sold on the net,” says Kumar. “Marketing’s challenge was dealing with the travel agent channel, which ran parallel and still co-exists with the Internet channel. Managing channel migration is crucial to this initiative."

marketing led companies like P&G will organise themselves around their top customers, who will come to make up half their sales. Once that happens, the manager in charge of a customer will become the most important. The high-salaried country manager, whose main job right now is to tell headquarters how his country is different, will become redundant.”

The sixth marketing initiative that Kumar sees as capturing the CEO’s imagination is the transformation from a market driven to a market driving organisation. This is especially applicable in hi-tech companies. “As Henry Ford once said, ‘the customer can only get what he or she will buy. The customer will buy everything the company will sell if the company will sell it without compulsion.’ Marketing must lead the market, or the customer will lead the market.”

And finally, there is the shift from SBU-centric marketing to corporate marketing, an initiative that may upset everyone in the marketing department down the line, but which has the power to make marketing more strategic. Kumar isn’t quite ready to expose on this yet, but he sees the big innovation coming from the customer and that’s marketing’s job of the future. "The marketing professional is the leader of the team, using the customer as the lead."