Introduction

THIS IS A BOOK ON MARKETING

From glancing at the table of contents, or randomly thumbing through a few pages, one may be surprised to find no mention of classic strategic marketing decisions, nor marketing mix tools, nor other decision-making domains typical of this area of management. In fact, the basic premise of this book is that marketing, as a specific realm of management, is called to take on a new role: that of actively managing a part of organizational knowledge.

The importance of this role stems from the recognition that companies which successfully attain sustainable competitive advantage are those that effectively manage their knowledge repository, and consider satisfying the needs of their customers in the long term as their primary goal. In other words, these companies are knowledge based and market oriented. Till now, both marketing scholars and practitioners have shared the assumption that taking marketing decisions in a proper way will ensure customer satisfaction and competitive advantage. The basic assumption of this book, instead, is that all this is not enough. On the contrary, it is the effective management of marketing knowledge that allows companies to achieve these objectives.

THIS IS ALSO A BOOK ON MANAGEMENT

The managerial tools described in various chapters, in fact, refer to the broadest area of management, that is, the different ways managerial knowledge and competences can be used to reach company goals. Often, both in the specialized literature and in business practice, marketing managers are reproached for being too sensitive to the wide variety of customer needs, and not attentive enough to the company’s requirements of efficiency, profitability and competitiveness. The purpose of this book is to contribute to making marketing more closely connected to management, while preserving the specific decision-making domain and specialization of the former. The foundation on which this dialogue has been constructed is knowledge management. To attain this objective, the book attempts to provide answers to the following questions:

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WHY SHOULD A COMPANY BE MARKET ORIENTED AND WHAT EXACTLY DOES THIS MEAN?

In the first chapter, ample space is dedicated to the debate which has most markedly characterized the last 15 years of marketing studies: the meaning of market orientation. Though there has been a multitude of opinions on this question, recently a certain consensus has been reached on the statement that what distinguishes a market oriented company is the ability to efficiently and effectively manage specific managerial processes, in particular those pertaining to the management of marketing information.

However, the theory put forth in Chapter 1 is that market orientation does not always, nor does it necessarily, contribute to achieving superior organizational performance. To guarantee the attainment of this goal, the company must correctly manage the organizational antecedents that favour the effective adoption of this orientation. Moreover, managers must be aware of the fact that market orientation does not directly influence organizational performance; rather it enhances organizational innovativeness and learning capacity, outcomes which contribute to improving financial and competitive performance.

WHAT IS MARKETING KNOWLEDGE?

The concept of knowledge has long fascinated scholars in many disciplines. This has contributed to making the issue extremely complex. In fact, different perspectives have placed emphasis on specific aspects related to knowledge. These perspectives have given rise to the development of different methodologies by which knowledge can be studied, and have often lead researchers to recommend very different ways for analysing, interpreting and managing knowledge. Given this, a clarification of the basic epistemological assumptions behind a definition of knowledge is necessary, otherwise no argument will stand on solid ground. Also for those who are interested specifically in managerial knowledge, an exploration of fields which are apparently more abstract and less linked to the business practice proves to be fundamental in order to design appropriate managerial processes and mechanisms.

Chapter 2, then, provides a wide-angle view of various research streams on organizational knowledge, with quite a high theoretical flavour, but with an equally concrete goal: to arrive at the definition of a descriptive model of organizational marketing knowledge. These research streams are categorized on the basis of two different paradigms: cognitivist and constructionist. For each, the differences in basic assumptions, hypotheses and conclusions are
highlighted, so as to unveil the ruggedness of the field of study, and the traps inherent to the process of managing marketing knowledge.

An analysis of these two major paradigms will clarify the perspective adopted in designing the descriptive model of marketing knowledge presented in Chapter 3. The purpose of the model is to shed light on the components of an organization’s marketing knowledge, with the belief that an effective management process must necessarily start with the identification of these components. In fact, to design and implement marketing knowledge management processes without a clear definition of what knowledge should be managed sets up the conditions for wasting effort. The conclusion of the third chapter is dedicated to the presentation of a model for managing marketing knowledge, which is discussed in detail in successive chapters.

HOW DOES A COMPANY MANAGE MARKETING KNOWLEDGE?

Managing marketing knowledge requires designing and implementing an ad hoc process, which must take into account the specificities of this area of organizational knowledge. In order to plan and execute such a process effectively and efficiently, it should be broken down into a number of phases, and for each phase key problems should be identified, as well as managerial tools most suitable for solving them. Project leaders, and managers either from Marketing or other organizational departments, can make use of specific organizational and technological tools to reach their objective, which are described in Chapters 4, 5 and 6 of the book, each focusing on a phase of the management process.

HOW DOES THE COMPANY FIND OUT WHAT IT KNOWS ABOUT MARKETING?

This question would seem at best ambiguous, at worst, trite. There is an implicit belief in most research on the topic and in business practice: that organizational marketing knowledge is always available for use in making decisions and implementing marketing activities. But this belief is rooted in a three-fold assumption regarding marketing knowledge: that it can be communicated, that it can be de-contextualized, and that people are conscious of it.

In Chapter 4, attention is focused on the challenge that companies must overcome in order to make marketing knowledge available for decision-making and implementation of activities. The takeoff point for every process
of managing marketing knowledge is the awareness of potentially available knowledge. This awareness can be achieved when the company is capable of using specific methodologies in order to let marketing knowledge emerge. In fact, there are various types of knowledge: some is readily expressed and communicated, some does not emerge easily because it is embedded in interactions between individuals, other knowledge is utilized unconsciously because it was acquired unconsciously, and yet other knowledge is simply forgotten by the company that possesses it. What seems to be generally apparent is that companies know more than they are able to communicate, and marketing knowledge is not unaffected by this problem. Most of Chapter 4, therefore, is dedicated to an analytical description of a number of methodologies which prove to be helpful in making the different components of marketing knowledge emerge.

HOW CAN A COMPANY GENERATE NEW MARKETING KNOWLEDGE?

A company that is willing to achieve sustainable competitive advantage in highly dynamic markets, must have a repository of marketing knowledge to be systematically replenished with new components. Knowledge is usually considered the outcome of mental activity, of an exclusively cognitive process. The choice of the epistemological field made in the second chapter brings me to argue, in Chapter 5, that action is central to generating new marketing knowledge. Companies, taken as socio-cognitive systems (that is, systems that produce knowledge in order to reach their objectives) naturally tend toward inertia - that is, they confirm knowledge that has worked up till that moment. The creation of new knowledge implicates effort, intent - that is, action - the final aim of which is to reach something that is different from pre-existing knowledge. Only this way will a company defeat inertia and integrate new elements in its marketing knowledge repository.

Chapter 5 provides an analytical examination of the generation of new marketing knowledge. The phases that make up this process and the relationships between them are detailed. Moreover, since marketing knowledge also concerns market actors, specific attention is given to the description of the contribution that customers make in enriching the marketing knowledge repository of a company. First, knowledge and competence of customers are outlined. Second, specific methodologies are highlighted which are suitable to this purpose, so as to emphasize once again that various types of knowledge require different methodologies in order to emerge.
HOW IS MARKETING KNOWLEDGE SHARED AND USED WITHIN A COMPANY?

Today quite a widespread belief is that sustainable competitive advantage does not depend as much on the availability of knowledge, but on its actual use in decision-making and behaviours. This conviction alone would justify sharing and utilizing marketing knowledge among the various organizational units of a market oriented company. Surprisingly enough, however, some companies with a rich, detailed repository of marketing knowledge do not make this knowledge available to the personnel who need it. Similarly, but in a certain sense conversely, these same people may have marketing knowledge, but do not consider it useful.

Chapter 6 centres on a discussion of typical barriers to sharing and utilizing organizational marketing knowledge. These are generally associated with particular organizational conditions or features of communication processes which do not favour sharing and use of knowledge. Once single barriers are identified, the most suitable management tools for overcoming these obstacles are presented. An analysis of such tools is provided in the second half of the chapter, with fitting emphasis on which are most appropriate with respect to every specific barrier.