

16 Marketing Insights from A to Z

As videoconferencing improves and costs come down, companies will reduce the number of field visits to customers and save on the high costs of transportation, hotels, dining out, and entertaining.

Another force that might reduce the role of the sales force is the growth of Web-based market exchanges. Price differences—especially for commodity materials and components—will become more visible, thus making it harder for salespeople to influence buyers to pay more than the market price. (See Sales Force and Selling.)



Change, not stability, is the only constant. Companies today have to run faster to stay in the same place. Some say that if you remain in the same business, you will be out of business. Note that companies such as Nokia and Hewlett-Packard gave up their original businesses. Survival calls for self-cannibalization.

Your company has to be able to recognize Strategic Inflection Points, defined by Andy Grove of Intel as “**a time in the life of a business when its fundamentals are about to change.**” Banks had to make changes with the advent of automated teller machines (ATMs), and major airlines have to make changes with the new competition coming from low-fare airlines.

Jack Welch at GE admonished his people: “**DYB: Destroy your**

business. . . . Change or die. When the rate of change inside the company is exceeded by the rate of change outside the company, the end is near.”

Tom Peters’ advice: “To meet the demands of the fast-changing competitive scene, we must simply learn to love change as much as we hated it in the past.”

I have noticed that American and European businesspeople respond differently to change. Europeans see it as posing a threat. Many Americans see it as presenting opportunities.

The companies that fear change most are many of today’s leading companies. As incumbents, they have invested so much in their present tangible assets that they tend to either ignore or fight the insurgents. Because they are big, they think they are built to last. But being big is no guarantee against becoming irrelevant, as Kmart, A&P, and Western Union discovered. If companies don’t want to be left behind, they must anticipate change and lead change. The ability to change faster than your competitors amounts to a competitive advantage.

Richard D’Aveni, the author of *Hypercompetitive Rivalries*,¹⁰ observed: “In the end, there will be just two kinds of firms: those who disrupt their markets and those who don’t survive the assault.”

But how do you change a company? How do you get your employees to adopt a new mind-set and give up their comfortable activities and learn new ones? Clearly top management must develop a new compelling vision and mission whose benefits for the various stakeholders appear far greater than the risk and cost of change. Top management must gather support and apply *internal marketing* to produce change in the organization.

The best defense in the face of change is to create a company that thrives on change. The company would see change as normal rather than as an interruption of the normal. And it would attract people who have positive attitudes toward change. It would institute open discussions of policy, strategy, tactics, and organization. The

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worst thing is to be a company that dislikes change. Such a company will attract people who dislike change, and the end is inevitable.

As Reinhold Niebuhr stated: “God, give us grace to accept with serenity the things that cannot be changed, courage to change the things that should be changed, and the wisdom to distinguish the one from the other.”



Communication and Promotion

Among the most important skills in marketing are communication and promotion. *Communication* is the broader term, and it happens whether planned or not. A salesperson’s attire communicates, the catalog price communicates, and the company’s offices communicate; all create impressions on the receiving party. This explains the growing interest in *integrated marketing communications (IMC)*. Companies need to orchestrate a consistent set of impressions from its personnel, facilities, and actions that deliver the company’s brand meaning and promise to its various audiences.

Promotion is that part of communication that consists of company messages designed to stimulate awareness of, interest in, and purchase of its various products and services. Companies use adver-