

## Viewpoint: The Future of Marketing

By Professor Malcolm McDonald, Chairman of Malcolm McDonald Consulting Ltd  
and Contributor to [www.malcolm-mcdonald.com](http://www.malcolm-mcdonald.com)

*What in an academic's retired life could be more appealing and irresistible than being invited by the Master and Court of the Worshipful Company of Marketing to address a prestigious audience at the Stationer's Hall in the City, on the topic of the future of marketing ?*

*"Of course", was the immediate response, coupled with a determination not to indulge in the so-called "scientific/positivistic" mode encouraged by the Business Schools which has driven marketing academics into an irrelevant cul-de-sac.*

*The following is a very brief summary of my talk.*

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It isn't, however, only the academic marketing community that has contributed to the demise of marketing as a discipline. In spite of the few shining stars in the very dark firmament of marketing, the future is not looking good for the discipline we all love and serve.

The problem is that in 2016, "Marketing" just doesn't mean "good marketing", or even "honest marketing", and is widely seen as "mis-marketing" in practice, largely the result of marketing's demotion to the role of promotion and puffery.

Following the Deloitte report in 2007, it appeared that the final nail had been hammered into marketing's coffin, when marketing's almost total lack of accountability came under severe criticism from CEOs and SFOs. Here is just one typical quote: "Marketers have constantly hidden behind a fog of measurers that are based purely on tactical marketing activity, rather than solid financial metrics that are relevant to the City".

One other problem I referred to during my talk was our discipline's lack of professionalism, with only 0.5% of UK marketers of Chartered status. We like to refer to ourselves as "professionals", but I cannot think of any true profession in which to be licensed to practice they have to be professionally qualified.

Yet another, was the separation at birth of sales from marketing, which is a bit like separating advertising and market research from marketing. This is especially serious, as expenditure on selling is five times the expenditure on the whole of marketing, and it is these people who are closest to the customers. Indeed, over one hundred years ago the Chartered Institute of Marketing deliberately dropped sales from both its title and its qualifications.

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*Thank you so much, Malcolm,  
for yet another master class  
in capturing, holding,  
entertaining, educating and  
inspiring an audience!*

*Managing Director*

*Awards International, June 2016*

All facts and figures in this publication are presented in good faith and on the basis of information before us at the time of writing.

## The Future of Marketing

(continued)

From this and from hundreds of seminal papers on the state of marketing, it is difficult not to conclude that the discipline of marketing is destined to become increasingly less influential, unless there is some kind of revolution, or at the very least a new beginning. Perhaps some kind of paradigm shift will emerge, for nothing new has emanated from marketing for decades.

Inter alia, I set out the following routes to ensuring that marketing has a sustainable future:

- ✓ Bring sales back into marketing.
- ✓ Start a serious campaign to get marketers professionally qualified.
- ✓ Make marketing more accountable.

Excellent marketing has always emanated from a deep understanding of consumer needs and expectations, combined with their right to be informed and protected and their right to quality of life.

We have a major role to play in the world's economies, and I look forward to seeing our reputation improve.

### Action Points

Of course digital is important, but it is useless without a robust marketing strategy.

- ✓ Find out whether your marketing people are doing proper marketing, or "messaging" about with social/digital.
- ✓ Establish whether the sales force is implementing the product/customer mix spelled out in the organisation's strategic marketing plan.
- ✓ Look at your strategic plan if in doubt; either the strategic plan is deficient, or your sales people are wasting lots of your resources.

## Viewpoint: The Tyranny of Forecasts and Sales

It is amazing to us how many major organisations go under, because they have little more than sales forecasts and budgets for 1 year only, and how surprised they are when their customers abandon them in favour of another supplier, who has taken the trouble to work out a longer term strategy, for understanding and really meeting their needs.

Let us dismiss the puerile belief that all the senior managers need to do is to write down some numbers that become targets and, eventually, budgets. It only ever works in growth markets with little competition.

In 2005, Simon Court said in *Management Today*:

- ✓ 90% of USA and European firms think budgets are cumbersome and unreliable, providing neither predictability nor control.
- ✓ They are backward-looking and inflexible. Instead of focusing managers' time on the customers, the real source of income, they focus their attention on satisfying the boss; that is, the budget becomes the purpose.
- ✓ Cheating is endemic in all budget regimes. The result is fear, inefficiency, sub-optimisation and waste.
- ✓ In companies like Enron, the pressure to make the numbers was so great that managers didn't just doctor a few numbers, they broke the law.
- ✓ People with targets and jobs dependent on meeting them will probably meet the targets, even if they have to destroy the enterprise to do it. (Simon Caulkin. "Escape from the Budget Straightjacket" *Management Today*, January 2005. p. 47-49.

Many economic commentators have also remarked on the destructive nature of targets set by the government for public services, such as the police, the health services and so on. Indeed, a policeman who resigned said openly on his web site on 18th September 2007 "an obsession with targets and box ticking mean we get exactly the same points for cautioning a girl for pulling another girl's hair as we get for a robbery."

### Action Points

Without long term forecasting and budgeting, *all* strategies also fail in the long run.

- ✓ Ensure that any forecasts and budgets emanate from a long-term, robust strategic marketing plan. They should NOT be added as an afterthought, and DO NOT accept targets that constitute managerial bullying!

# About Malcolm McDonald Consulting

Malcolm McDonald Consulting Ltd. is a strategic sales and marketing consulting business.

With our end-to-end interactions, from Board level to internal project team, we help companies create value through getting the fundamentals right in strategic sales and marketing, all within budget and the agreed deadline.

Professor McDonald and his team of consultants work with the Boards and internal teams of executives from a number of the world's leading multi-nationals on all continents.

Malcolm McDonald is Emeritus Professor of Marketing at Cranfield University, and Visiting Professor at Henley, Warwick, Aston and Bradford Business Schools. He authored over 40 books on marketing and key account management.

Coming from a background in business which included a number of years as Marketing Director of Canada Dry, Malcolm has successfully maintained a close link between academic rigour and commercial application. He has consulted to major companies from the UK, Europe, USA, Far East, South-East Asia, and Africa, in the areas of strategic marketing and marketing planning, market segmentation, key account management, international marketing and marketing accountability.

## The Management Team

Professor Malcolm McDonald	Chairman
Dr. Florin Vladica	Managing Director
Edmund Bradford	Director



## Contact Us

Malcolm McDonald Consulting Ltd.  
7 The Courtyard, Wootton Business Park,  
Wootton Waven, Warwickshire, B95 6HJ, UK  
Email: [enquiries@malcolm-mcdonald.com](mailto:enquiries@malcolm-mcdonald.com)  
Web: [www.malcolm-mcdonald.com](http://www.malcolm-mcdonald.com)



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