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## COMMENTARY

Marketing is not  
dead

# Marketing is not dead: a response to "Elegy on the death of marketing"

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**Abstract** *Discusses the death of marketing and provides evidence to the contrary that marketing is far from dead – or dying. Discusses the implications of the role of marketing both in the online and offline world. Accepts that marketing may be in need of realignment to reflect contemporary marketing practices.*

### Introduction

This commentary presents an opinion that marketing is not dead or dying! The commentary begins by introducing Holbrook and Hulbert's (2002) view. It then proceeds to discuss that even in the information revolution (which was thought to presage the death of marketing), marketing is still being practised. The complementary role of marketing in both the marketplace and marketspace is discussed. The commentary argues that the notion of consumer *values* is sufficient to keep the marketing function alive, but accepts that it needs to change to reflect contemporary social preferences.

### The argument against the death of marketing

Holbrook and Hulbert (2002) published an article in *EJM* which stated that marketing as we know it is dying. They began their thesis by referring to the barter economy – a time when there was no need for marketing because parties to every exchange were in direct contact and there was no need for mediation of any kind. With the advent of the industrial revolution, we moved towards a mass production economy, and as a result, a gap emerged between producer and consumer due to supplier dominance and a scarcity of alternatives. Marketing, they said, is accomplished by manipulating the marketing mix to close this gap or separation between producer and consumer in a number of ways. The premise is that as long as there is a gap or separation between producer and consumer, there will always be a need for marketing, but once the gap is closed, then it is questionable as to whether there is any need for marketing. It is the reduction of the gap or separation that Holbrook and Hulbert (2002) hold responsible for the death of marketing. It is because of our ability as marketers to segment markets

My intentions for writing this article are honourable. I am not interested in criticising, discrediting or undermining Holbrook and Hulbert's (2002) original article, nor do I wish to be disrespectful to the authors concerned. The content of this commentary merely represents a personal point of view.



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into individual units that we have found ourselves in a situation not dissimilar to the barter economy. Just as marketing was not needed in the barter economy, Holbrook and Hulbert (2002) proposed that it is not needed today because we have created a situation where there is no longer a gap or separation between producer and consumer. We have reduced the gap or separation by our ability to utilise sophisticated segmentation tools for mass customisation. According to Holbrook and Hulbert (2002), the information revolution acted as a catalyst for mass customisation, and as a result we have been able to significantly reduce the gap between producer and consumer in the contemporary marketplace. In the information revolution the customer becomes an integral part of the marketing process, blurring the traditional boundaries of producer and consumer. Holbrook and Hulbert (2002) refer to the advent of collaborative filtering, content-based filtering and other systems development by various Web-based e-marketers to support this claim. According to Holbrook and Hulbert (2002) therefore, it is possible to assume that with the introduction of the Internet into business models, the gap between producer and consumer has been significantly reduced, which in turn heralds the death of marketing.

Many businesses have embraced the Internet in this new information era as a new way of doing business – but does this mean that the traditional marketing function has died? I don't think it has. Even in the information era, not all businesses are in a position to take advantage of the new technologies that are available. That is not to say that they are not capable, it is just that their core activities exclude them from being information-driven. Thus the diversity existing among businesses in terms of the products or services that they offer means that whereas some will be able to take advantage of new developments in light of the information era (i.e. the Internet), others will not – or will not have to, and thus will still have to depend on the traditional marketing function to “market” their business to consumers. For example, when products are low-cost and frequently purchased, the conventional retail channel will dominate other channels of distribution (including the Internet) with respect to transaction and distribution functions, primarily because these functions do not offer economies of scale to the Internet marketer. If, however, the value proposition is intangible or informational, the advantage shifts to the Internet marketer (Peterson *et al.*, 1997). Simply put, even in the information era, where the Internet represents a new way of doing business, it will never eliminate or serve as a substitute for conventional retail channels. As long as this is the case, then traditional marketing functions will still survive.

These considerations also provide support for the claim that a new set of principles govern marketing in the online world. Eid and Trueman (2002) provided some important differences between traditional marketing and Internet marketing. With Internet marketing, there is a longer-term focus (Buttle, 1996), where the dominating marketing function is relationship marketing and supported by the four Ps (Cann, 1998). With regards to communication mode, the focus has shifted from one-to-many to many-to-many (Hoffman and Novak, 1996). With regards to value and competition, companies need to provide value through the information they provide (Rayport and Sviokla, 1994), and need to be more concerned with strategic positioning rather than operational effectiveness (Porter, 2001; Chaffey *et al.*, 2000). Brynjolfsson and Smith (2000) also stated that Internet marketing differs from traditional marketing in that there needs to be more focus directed towards developing efficient markets and by

focusing more on demand than supply (Urban *et al.*, 2000; Rayport and Sviokla, 1994, 1995).

With the growth of the Internet in the information revolution, the manipulation of the Ps has changed. In relation to the product, the Internet leads to faster discovery of customer needs, greater customisation of the products to customer needs, faster product testing and shorter product life-cycles (Avlonitis and Karayanni, 2000). In relation to price, the Internet has many influences on the price strategy. Specifically, there is an increased standardisation of prices across borders, or at least, narrower price spreads across country markets. Furthermore, the bargaining power of consumers has increased as market transparency has emerged (thus widening the gap between producer and consumer based on perfect knowledge?). In relation to place, or physical distribution, the growth of the Internet has seen intermediaries offering a new range of services to realign their value-adding role through information. In the information revolution, therefore, the traditional marketing function cannot die, but is needed as a supporting function to the Internet marketing paradigm.

### **The co-existence of marketplace and marketspace**

According to Rayport and Sviokla (1994, 1995) the virtual market in cyberspace, in which information is handled, processed and utilised, and through which virtual value creation chains are brought about within data networks, can be referred to as "marketspace". It is in this context that virtual marketplaces and virtual transactions of or with information develop. This means that the marketspace can be seen as an artificial, intangible market for information. The consequences of this division of relevant market systems into marketplace and marketspace can be structured in three central lines of development (Weiber and Kollman, 1998):

- (1) performance improvements in the marketplace – information can help to achieve a supporting increase in efficiency of the actual offer (products or services);
- (2) freestanding output in marketspace – information gained from the marketspace can function as an autonomous source of competitive advantage. Information becomes a product in its own right, which is traded in the marketspace; and
- (3) additional consumer value in marketspace – through the parallel utilisation of marketplace and marketspace, information can form the basis of an additional utility in its own right over and above the physical offer in the marketplace.

The complementary coexistence of marketplace and marketspace means that sustainable competitive advantage cannot be solely derived from access to the Internet or developing a Web site (Samiee, 1998), and as such a new set of principles for delivering the function of marketing has emerged. Furthermore, it must be remembered that the Internet is just another channel in the wider distribution system. It is unlikely that the marketplace will disappear and be replaced by the marketspace: rather, they are likely to complement each other in respective marketing systems. Rayport and Sviokla (1994) stated that every business today competes in two worlds (i.e. marketplace and marketspace). It is important to note that the process of creating value is not the same in the two worlds. The value-chain model treats the

information as a supporting element of a value-adding process, not as a source of value itself. In the marketplace or virtual value-chain, information is a source of value for the customer. Order tracking services provided by Federal Express is an example of this. Thus, the very nature of multi-channel distribution is itself enough to keep the marketing function very much alive.

Of course it is widely accepted that Internet interfaces are by no means a substitute for personal interaction. This interaction deals specifically with the other three Ps of marketing, which in turn extend the very function of marketing itself (a discussion of services was largely ignored in Holbrook and Hulbert's article).

### **Marketing is alive!**

There are also other elements that need to be considered before we can conclude that marketing's death is imminent. One is the dynamic and mercurial nature of individuals (consumers) in society. Universal McCann (one of the largest worldwide media operations) espouses the increasingly popular view of the prosumer (as quoted by Louise Nash, media group head, Universal McCann, in Le Pla, 2003). Technology-enabled, uncompromising and experience seeking, this is the cynical and choice-ridden consumer of the future. Rejecting shoddy, overpriced and otherwise unacceptable goods, they will co-produce content for their own consumption. The prosumer is essentially concerned with lifestyle and the concept of embrace by creating brands for themselves. Such "new changes" limit the lifespan of traditional segmentation techniques for certain product or service categories (but not necessarily targeting and positioning) and is very much founded in the concept of values, likes or dislikes rather than on geographic, demographic, behavioural or psychographic profiling. Indeed the traditional segmentation techniques that Holbrook and Hulbert (2002) use to discuss their death of marketing theory may be overrated. The experiential marketing paradigm provides evidence of this. If a company uses traditional segmentation approaches, it is difficult for a company to communicate with both 25 year olds and 65 year olds – or even a broader range of demographics or profiles. Experiential marketing, specifically, makes this process easier by grouping people according to their *values*, their enjoyment, personality type and social group – in the loose sense – not traditional segmentation approaches that have become too invasive and sophisticated. (Ironically Holbrook discusses the importance of values in earlier publications). Marketing mix decisions will therefore still need to be tailored in such a way so as to appeal to and gain the attention of these "new" emerging consumers.

In addition, even in the (very unlikely) event that e-marketing was to displace traditional marketing, surely the list below still falls under some sort of marketing remit and needs to be managed and implemented by marketers:

- a need for people who know about marketing to develop (strategy – especially e-branding) manage (four Ps) and deliver (the other three Ps) marketing in the "new revolution" even if the "gap" has been closed due to fragmentation;
- a need to manage the supply-chain, logistical elements of the marketing function;
- a need to develop the product, find suitable channels (growth of intermediaries), set appropriate prices, and deliver appropriate marketing communications ("you made the right choice!") in this new era;

- a need to manage marketing information;
- a need to monitor and respond to competitor actions;
- a greater emphasis on the personal touch (in both the B2C and B2B spheres);
- a need to place greater emphasis on customer service (24/7), including strategies for service failure and service recovery;
- a need to manage word of mouth; and
- a need to manage quality control and service quality.

## Conclusion

We have been at this juncture before. Recall the evolution of the marketing concept and more recently Brown's assertions that marketing is going through a "mid-life crisis" (Brown, 1995, 2001, 2003). So is marketing dead or not? Contrary to Holbrook and Hulbert's (2002) thesis on the death of marketing, I believe that marketing as a discipline and practice is far from dead. Rather, it represents a challenge. We are already in the "next millennium", and marketing is still very much alive – even despite the suggested Doomsday effect that the information revolution (via the Internet) would have on marketing as we know it. Thanks in fact to the information revolution, and the growth of the Internet as another marketing channel, the way in which we practice and teach marketing has adapted to meet the growing needs of the e-consumer. Take for example the fixation with e-branding, online trust, online pricing, e-metrics and the countless number of in-depth studies and case studies we have come up with so as to practise the function in an appropriate way.

I do accept that marketing is facing a "mid-life crisis". The concept and practice of marketing needs to be realigned. Traditional teachings need to be revised, not discarded, and marketing personnel need to know about the traditional ways of "doing marketing" before one can accept new or different ways of delivering and implementing a marketing program. What is happening in reality is not reflected in our teachings, and what's more, what is presented in the texts doesn't represent a panacea or principles of best practice for managing marketing in any organisation. The principles of retro-marketing (Brown, 2001) and experiential marketing (Schmitt, 1999) attest to this. These are only two new ways of thinking or paradigms in marketing, and they are being practised. Thus the function of marketing, albeit slightly different from years gone by, is still very much alive, and it is up to the academic community to keep it alive and develop new and creative marketers for the challenges that we face. Let's forget about rehashing old arguments that defend the rhetoric that marketing is just selling, advertising or just common sense; that marketing is misleading, harmful, unsustainable and wasteful; that marketing manipulates; that marketing is ineffective, unproductive, and even unnecessary; that marketing is unscientific (or too reductionist), poorly grounded, unfocused and even dated; that marketing is esoteric, irrelevant, and poorly communicated to practitioners; and that marketing is too hard to understand (students' point of view). Why do we have to continually justify its (marketing's) presence? We don't need to, the world needs us! Maybe it is the academics who are killing it – without due cause?



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