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Biggadike, E Ralph
Academy of Management. The Academy of Management Review (pre-1986); Oct 1981; 6, 000004;
ProQuest Central
pg. 621

Academy of Management Review 1981, Vol. 6, No. 4, 621-632

The Contributions of Marketing To Strategic Management[1]

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Marketing helps strategic management at a philosophical, conceptual, and methodological level. Theory-building contributions are few. The marketing concept stresses that customers are the focal point of strategy. Marketing defines the environment in terms that customers think are important. Segmentation partitions customers into groups with common needs and the positioning concept frames strategic choice as decisions about which segments to serve and with whom to compete. An emerging theory of market evaluation helps dynamic analysis of customers, competitors, and strategic choices.

Strategic management issues are usually defined to be those affecting the relationship of an organization to its environment. They include the choice of both strategy and structure. A simple paradigm of strategic choice is:

environment + organization capabilities + current competitive position → strategy.

Environment is defined as "technological, economic, social, and political" influences [Learned, Christensen, Andrews, & Guth, 1965, p. 170]. *Organization capabilities* refer to human and physical resources, and *current competitive position* is the firm's reputation, markets served, relative market share, and so on. *Strategy* is the choice of markets the firm will attempt to serve, or a choice about the scope of the firm's domain, including decisions about expansion, defense, and contraction of that domain.

Issues in strategic management occur at both the corporate and business unit levels. It is at the business unit level that we have seen a proliferation of models and matrices to help resolve strategic management issues [Allen, 1976; Boston Consulting Group, 1970; Little, n.d.; Schoeffler, Buzzell, & Heany, 1974]. Although there are important differences among them, they do require essentially similar steps in tackling business unit strategic choice issues. I have combined the strategic choice paradigm shown above and these steps into one in order to assess the contributions of marketing at both the corporate and business unit levels. My combination paradigm is shown in Table 1.

Overall, I judge that marketing has made a number of conceptual contributions but few theoretical ones. The contributions occur most frequently at the environmental analysis stage and at the business unit level. Also, marketing has contributed more to the choice of strategy than to the choice of structure. Marketing concepts and techniques such as market segmentation, positioning, and perceptual mapping help define the environment and frame strategic choices in customer terms. The product life cycle concept helps dynamic analysis of the environment and different strategic options. Essentially, marketing sees strategic management as being market-driven, and provides aids for hypothesizing about customer needs and competitor behavior.

Marketing: A Definition and Paradigm

Marketing scholars [for a review, see Hunt, 1976] agree that marketing is concerned with the external environment. There is no unifying paradigm for the entire marketing field, but there is a paradigm for marketing management [McCarthy, 1971, p. 38].

[1]My thanks to Neil H. Borden, Jr., and Robert D. Buzzell for discussions on this topic.

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Table 1
Combination Paradigm of Strategic Management at the Corporate and Business Unit Levels

Level	Activities
Corporate and Business Unit Levels	Environmental Analysis (technological, economic, social, political) Organizational Analysis (strengths/weaknesses, personal values)
Business Unit Level	Define the business and market Assess industry or market attractiveness Assess current competitive position Select appropriate strategy, given market attractiveness, competitive position, and risk assessment Identify needed functional strategies, employee behavior, and information, control, evaluation, and compensation systems to achieve implementation Measure performance appropriately (e.g., share for new businesses, ROI for established businesses)

Figure 1 shows this paradigm which suggests that marketing management tries to satisfy customers (C) within the context of the environment and the firm's resources and objectives (the uncontrollable factors) by designing an appropriate marketing mix (the four P's—controllable factors).

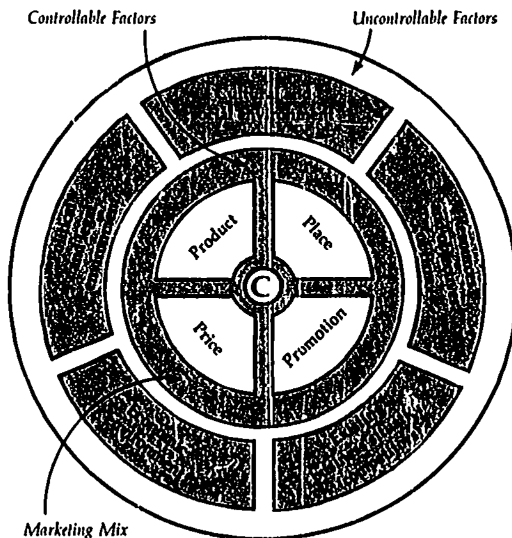
There is considerable overlap between the strategic management and marketing management paradigms. First, both share a concern with the environment, because the target of marketing decisions is the customer and the marketing decision variables—product, price, place, and promotion—are heavily influenced by external elements, such as customers and competitors (unlike all the "controllables" in other functions). Another reason for the overlap is that both fields share one "controllable"—the product.

The major difference between the two paradigms is that two of the marketing "controllables"—place and promotion—are not often at the heart of strategic management issues. And, of course, some variables that are at the heart of strategy issues (e.g., choice of technology, level of vertical integration, type of manufacturing process, and capital intensity) are not marketing variables. Another difference is in emphasis. For example, although both fields study organization capabilities, it is rare that marketers explicitly study the influence of executives' personal values and leadership style.

Research in Marketing

Research in marketing has not concentrated on specifying and validating the relationships suggested by the paradigm. For example, we do not have in marketing a set of propositions along the lines of:

> In an environment (segment) of high growth, fragmented customers, slow cultural change, and relatively larger competitors, an incremental innovation should be introduced at a skim price, with more emphasis on personal selling and service than on advertising and, initially, selective distribution.



Adapted from McCarthy, E. Jerome. *Basic marketing* (4th ed.). Homewood, Ill.: Irwin, 1971. Used with permission.

Figure 1
A Popular Marketing Paradigm

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One reason for this lack of marketing management theory is that it is easier to build theory in narrowly defined areas. Marketers have specialized in subfields, such as information processing theory, communications theory, and attitude change theory. Marketing scholars have chosen one element of the marketing management paradigm and have studied this element from the perspective of, and with the research methods of, a related academic discipline. An example is advertising (promotion) and the social psychology approach to attitude change. This level of specialization has prevented comprehensive development of marketing management theory.

A related reason is that business administration academics have been under pressure to be more "problem oriented" and more "scientific" (read "quantitative"). These pressures have led to a preoccupation with applying technique to what I will call commercial marketing research problems—e.g., multidimensional scaling applied to segmentation. This kind of research has met some criteria of managerial and academic respectability, but it is not theory-building research.

The specific output of research in marketing over the 25-year period of 1952-1977 has recently been documented by the American Marketing Association's Commission on the Effectiveness of Research and Development for Marketing Management [Myers, Greyser, & Massy, 1979]. The Commission identified 64 examples of "new theories, concepts, methods, and techniques," and these are shown in Table 2. Their summary conclusions are that this research has had "relatively little impact on improving marketing management practice" [p. 27]; that theory building, or what the commissioners called "general facts and laws," is "comparatively rare" [p. 27]; and that "marketing is still in a rather primitive state of development" [p. 27].

I have assessed each of the 64 new knowledge examples identified by the commissioners against the strategic management paradigm explained earlier. I judge that about 60 percent have not made a contribution for one of three reasons: some knowledge is, as one would expect, at a functional level; other knowledge was derived from a narrow unit of analysis; and some is, simply, still undiffused.

In Table 3, I list the knowledge developments in marketing that I consider to be contributions. The most significant of these are the marketing concept, market segmentation, positioning, mapping, and the product life cycle. In the balance of this article, I will discuss these contributions.

Five Major Contributions of Marketing

The Marketing Concept

Scholars and practitioners agree that this concept describes the function of marketing. One widely used definition is:

> a management orientation that holds that the key task of the organization is to determine the needs, wants, and values of a target market and to adapt the organization to delivering the desired satisfactions more effectively and efficiently than its competitors [Kotler, 1976, p. 14].

McKitterick describes how the concept was developed at General Electric as a response to a changed environment and corporations grown too large to use profit as an objective. Instead, corporations had to focus on "customer betterment": that is, management is "not so much to be skillful in making the customer do what suits the interests of the business, as to be skillful in conceiving and then making the business do what suits the interests of the customer" [1957, p. 78].

One contribution of marketing, then, is a perspective that emphasizes at least one element—the customer—of an organization's environment. Indeed, marketers would argue that the now fashionable pre-occupation with the external environment and strategy started with the articulation of the marketing concept. Up to the mid 50s, business had concentrated primarily on internal considerations.

Marketers would also argue that the marketing concept is both a philosophy and a practical guideline. For example, Bennett [1979] writes that the more a company has adopted the concept, the more "the gap between a company's strategic plan and its marketing plan narrows." Strategic management issues often entail trade-offs between the short and long run, between financial and market performance, between private and public goals. The marketing concept provides a clear, if somewhat utopian, direction for resolving these trade-offs: in favor of the customer and the long run.

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Table 2
Examples of Knowledge Development in Marketing, 1952-1977

Discipline-Based Theories	Managerial Frameworks And Approaches	Models and Measurement	Research Methods and Statistical Techniques
Demand and utility theory	Marketing concept	Stochastic models of brand choice	Motivation research and projective techniques
Market segmentation	Marketing mix—4Ps	Market share models	Survey research
General and middle-range theories of consumer behavior	Development of marketing cases	Marginal analysis and linear programming	Focus groups and depth interviewing
Image and attitude theory	DAGMAR	Bayesian analysis	Experimental and panel designs—ANOVA
Theories of motivation, personality, social class, life style, and culture	Product life cycle	Advertising models; e.g., Mediac, Pomsis, Admesim, Brandaid, Adbug	Advances in probability sampling
Expectancy-value theory	Marketing plan	Causal models	Hypothesis formulation, inference, significance test
Theories of advertising processes and effects	State approaches to strategy development	Sensitivity analysis and validity tests	Multivariate dependence methods—multiple regression and multiple discriminant analysis, canonical correlation
Information processing theory	Product portfolio analysis	Response functions	Multivariate interdependence methods—cluster and factor analysis, latent structure analysis
Attitude change theories (consistency and complexity theories)	Physical distribution management	Weighted belief models, determinant attributes	Advances in forecasting econometrics, and time series analysis
Attribution theory	Marketing information systems	Simulation and marketing games	Trade-off analysis and conjoint analysis
Perceptual processes	Product positioning and perceptual mapping	Multidimensional scaling and attitude measurement	Psychographics and AIO studies
Advertising repetition	Segmentation strategies	Sales management models; e.g., Detailer, Callplan	Physiological techniques—eye camera, GSR, CONPAAD
Distribution theory	New marketing organization concepts; e.g., brand management	New product models; e.g., Demon, Sprinter, Steam, Hendry	Unobtrusive measures, response latency, nonverbal behavior.
Refutation and distraction hypotheses	Territory design and salesman compensation	Bid pricing models	
Theories of diffusion, new product adoption, and personal influence	Marketing audit	Computer-assisted marketing cases	
Prospect theory	Demand state strategies	Product planning models, perceptor, accessor	
	Creative approaches and styles		
	New search and screening approaches		
	Refinements in test marketing approaches		

From Myers, John G.; Greyser, Stephen A.; & Massy, William F. The effectiveness of marketing's 'R&D' for marketing management: An assessment. *Journal of Marketing*, 1979, 43, 7-29. Reprinted with permission.

Market Segmentation and Positioning

I think market segmentation and its counterpart, positioning, must rank as marketing's most important contributions to strategic management. Market segmentation is defined as "the subdividing of a market into distinct subsets of customers" [Kotler, 1976, p. 144] according to their needs and the way they buy and use a product or service. Positioning is a decision to serve a particular segment with a program tailored to those specific customer needs. Thus, these two concepts deal directly with analyzing a firm's environment so as to make a strategic decision about the extent of the firm's domain in that environment.

To illustrate, a suggested segmentation of the typewriter industry is shown in Figure 2 with my imputed positioning of IBM's Office Products Division and SCM's Smith-Corona Group.

SCM's strategic choices can be framed as:

1. Expansion: Should they try to serve additional segments, such as personal buyers needing office machine capabilities and business buyers needing portability?
2. Defense: Is their current dominance of the personal buyer segment defensible against competitors who are dominant in another segment (e.g., IBM)?

Marketers have developed an arsenal of research techniques to help them segment markets and position competitors. One of these is *perceptual mapping* —plots of customer's perceptions constructed by multivariate analytic techniques, such as multidimensional scaling and multiple discriminant analysis [Greene & Carmone, 1970]. Figure 3 shows a map of customers' perceptions of retail stores on the segmentation dimensions of "fashion" and "value for money." For example, the discounter/mass merchandiser type of store (indicated by a solid triangle) is positioned in Quadrant 3, representing lower fashionability and lower value.

This map suggests strategic questions. Note that

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Table 3
Contributions to Strategic Management from Knowledge Development in Marketing, 1952 -1977[a]

Strategic Management Combination Paradigm	Discipline-Based Theories	Managerial Frameworks And Approaches	Models and Measurement	Research Methods And Techniques
Environmental Analysis	market segmentation theories of diffusion consumer behavior theories theories of motivation, etc.	marketing concept marketing information systems product life cycle product positioning and perceptual mapping		survey research focus groups advances in forecasting psychographics
Organization Competence and Resources		marketing audit		
Business Unit Level				
Define the business and the market	market segmentation	product positioning and perceptual mapping	multidimensional scaling	
Assess environmental attractiveness	theories of diffusion	product life cycle		
Assess competitive position		marketing audit product positioning and perceptual mapping product-portfolio analysis	market share models	all the methods and techniques listed above
Select appropriate strategy		marketing mix—the 4 Ps product-portfolio analysis segmentation strategies demand state approaches development of marketing cases marketing plan	Bayesian analysis simulation and marketing games market share models	trade-off analysis and conjoint analysis
Implementation		new marketing organization concepts territory design and salesman compensation		
Performance				

[a]Some contributions are of relevance to more than one aspect of strategy formulation and process, and are therefore listed more than once.

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Market Segment

Typewriter Characteristics | Business Buyers | Personal Buyers

Automatic

Office

Portable

IBM/
OPD

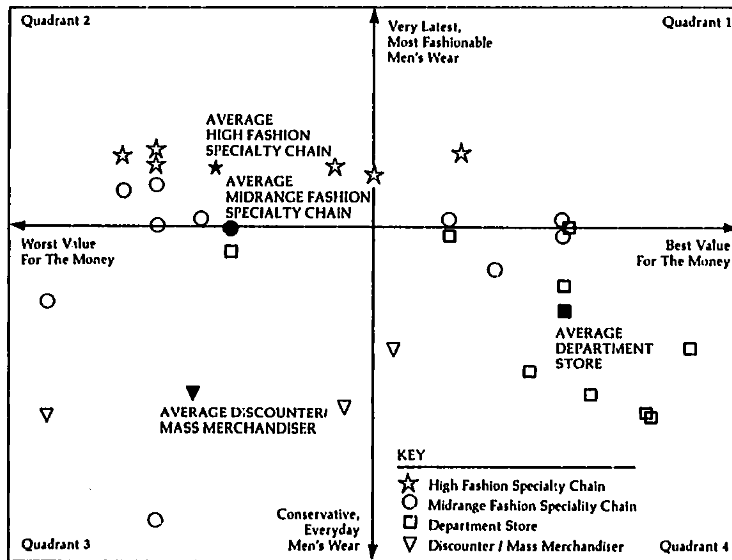
?

?

SCM

Modified from Day, George S.; & Shocker, Allan D. *Identifying competitive product-market boundaries: Strategic and analytical issues.* Cambridge: Marketing Science Institute, 1976. Used with permission.

Figure 2
Hypothesized Segmentation of the Typewriter Industry And Competitor Positioning



From King, Charles W.; & Ring, Lawrence J. Market positioning across retail fashion institutions: A comparative analysis of store types. *Journal of Retailing*, 1980, *56*(1), 37-55. Reprinted with permission.

Figure 3
Two-Dimensional Perceptual Space: Store Positions On Fashionability and Value for the Money

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Quadrant 1 is "under-occupied." This space might represent a market opportunity for a new type of store. Note also that individual department stores (indicated by light squares) are widely dispersed over Quadrants 3 and 4, while the department store *type* (solid square) is almost in the middle of Quadrant 4. The dispersion might suggest customer confusion and an opportunity for retailers "to build clarity of offering and to differentiate their offerings from the average."

Another map, in Figure 4, shows that customers tended to distinguish banks on "their personalism" (horizontal axis) and "their ability to change" (vertical axis). The authors report that executives of Bank A were disturbed to be positioned so close to Banks C and F—both suffering declining market shares. Bank A executives launched programs to reposition their bank.

In using these concepts, marketers first ask the question How do customers define the environment? (that is, what needs or problems are relevant to them?); second, How do customers perceive different competitors' attempts to solve their problems? Having segmented customers and positioned competitors, marketers next ask How will environmental change alter the map (the market)? For example, some segments might contract or even disappear; others will grow. Next, marketers analyze competitors by assessing their relative ability to serve existing and prospective segments. Finally, marketers ask Which part of the market should we serve, against which kind of competitors? In answering these questions, marketers have developed some strategic rules of thumb:

1. *Look for the hole.* The best strategic opportunity might be an unserved segment (e.g., Quadrant 1 in Figure 3).

2. *Don't squat between segments.* Any advantage from squatting (such as a larger target market) is offset by your failure to satisfy one segment. In decision theory terms, the intent here is to avoid sub-optimization by trying to serve more than one objective function.

3. *Don't serve two segments with the same strategy.* Usually, a successful strategy with one segment cannot be directly transferred to another segment.

4. *Don't position yourself in the middle of the map.* The middle usually means a strategy that is not clearly perceived to have any distinguishing characteristics. Obviously, this rule varies with the number of competitors (when there are two, as in U.S. presidential elections, the middle becomes the preferred strategic positioning).

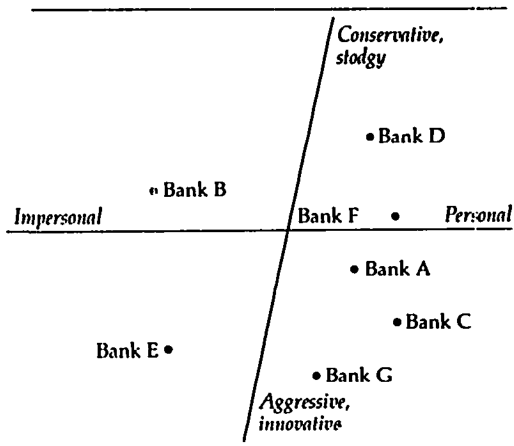

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Figure 4
Multidimensional Mapping/ Two-Dimensional Configuration

In summary, these rules stress the importance of achieving a focus in strategy: choose a segment of the market and serve it.

To guard against specious segmentation and to assess the attractiveness of a segment, marketers examine six aspects of a proposed segment. Experience has shown that after consideration of these aspects, there are probably only two or three ways of segmenting a market:

1. *Measurability.* How many buyers are in the segment? Doubtless, there are automobile buyers who want high performance, styling, status, and luxury. But, are there enough of them to enable John de Lorean (ex-GM) to build a business?

2. *Accessibility.* Can we reach the segment with product and promotion? Doubtless, there is a geriatric segment but distribution channels for geriatrics are not well developed.

3. *Substantiality.* Can the segment profitably support a tailored strategic effort? The demise

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of *The Saturday Evening Post* was attributed to a declining segment for that kind of product.

4. *Defensibility.* Are the costs of serving the segment unique to that segment? The alleged unprofitability of Hewlett-Packard's personal calculator business could be attributed to their strategy of concentrating on the engineer/scientist segment. This segment has few barriers to separate it from other segments, so that mass market competitors such as Texas Instruments have enormous "shared experience" cost benefits in all segments.

5. *Durability.* Are the differences between segments likely to endure or erode as buyers gain experience and technology diffuses? Data Terminal Systems has built a $150 million business in eight years serving small- and medium-sized retailers with stand-alone electronic cash registers. But medium-sized retailers are becoming more sophisticated about data processing, and competitive point-of-sale systems are becoming cheaper and simpler. As a result, Data Terminal's segment might erode.

6. *Competitiveness.* Do we have a relative advantage in the types of skills required to serve the segment? One might suggest that Hewlett-Packard or *The Saturday Evening Post* should serve broader segments, but given the skills of the company's executives, such an expansion in domain would not be accomplished easily.

Marketers have not progressed beyond these kinds of rules and criteria to a theory of segmentation and positioning. The thousands of market segmentation studies have not led to a theory of segmentation that can specify segmentation dimensions and a taxonomy of positions for a specific strategic situation. Wind [1978] suggests four reasons why: (1) a lack of systematic effort to build a cumulative body of substantive findings about customer behavior, (2) a lack of specific models that link behavior to descriptor variables and thus predict which descriptor variables should be used, (3) the nonrepresentative nature of most of the academic studies with respect to sample design, and (4) a lack of comparable conceptual and operational definitions of variables across studies.

Segmentation/Positioning and Market/Business Definition

To marketers, segmentation and positioning concepts are the entry point for the strategic issues of market and business definition. Abell's [1977, 1980, Chap. 2] pioneering clinical work led him to conclude that businesses may be defined along three dimensions: (1) the type of customer groups that are targeted, (2) the customer functions that are performed for each customer group, and (3) the technologies that are employed to perform the functions. These three dimensions for the personal financial transactions market are illustrated in Figure 5. The strategic questions for a competitor in this market—Docutel, the largest producer of automatic teller machines (ATMs) but a small company absolutely—concern the *scope* of its business (how many customer functions and groups should it attempt to serve, with what technology?), and how it should *differentiate* itself (add software capability to interface with IBM/Burroughs systems to outperform other ATM component manufacturers?).

The way in which these questions are answered is to analyze:

1. similarities and differences in the resource requirements of the different business functions (manufacturing, marketing, R&D, etc.);

2. customer needs (do they need several functions to be performed together or not?—e.g. dispense cash only, or dispense and deposit functions);

3. the company's relative ability to actually span the resource requirements associated with serving a variety of customer functions in a variety of market segments.

Product Life Cycle

This familiar concept has had an enormous impact on the study of strategic management issues. Two leading consulting houses use the concept as a critical variable in their approach to strategic management [Boston Consulting Group, 1970; Little, n.d.]. Hofer argues that "the most fundamental variable in determining an appropriate business strategy is the stage of the product life cycle" [1975, p. 798].

The value of the concept derives from the fact that the stage of the product life cycle (PLC) is a useful indicator of what might be appropriate strategies [Levitt, 1965]. For example, increasing

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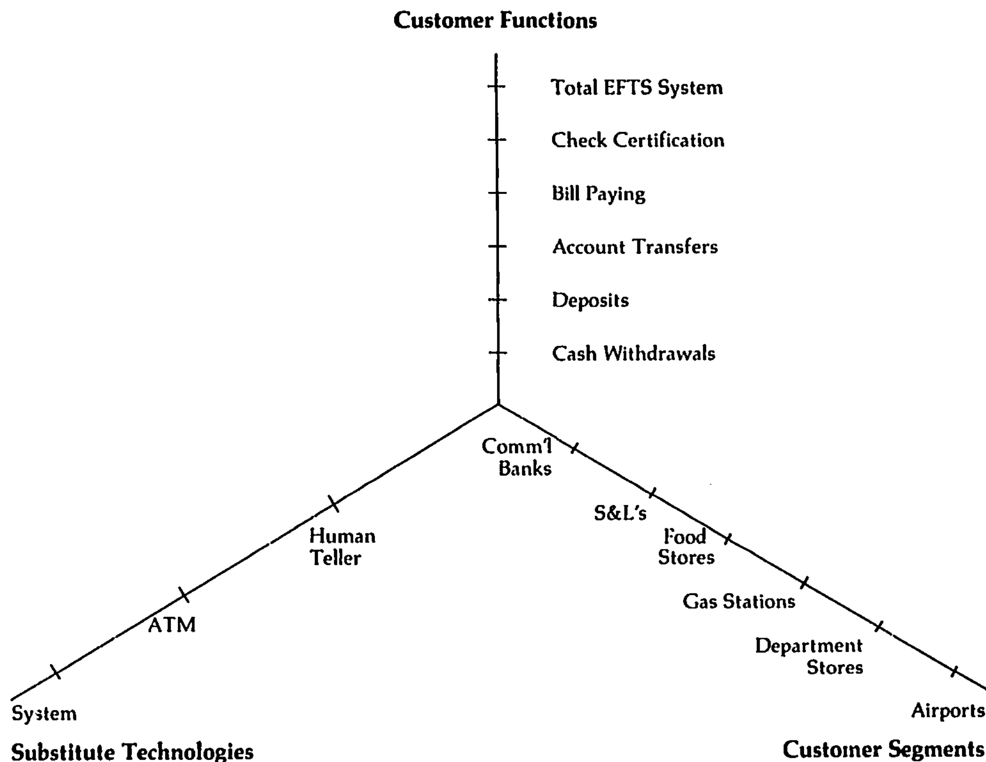

Figure 5
Hypothesized Map of the Personal Financial Transactions Market

verticle integration is often appropriate in the mature stage but inappropriate in the growth stage. The concept also helps strategists to think about strategy and financial flows over time. Indeed, the postulated flows of costs, investment, revenue, and break-even according to PLC stage pre-dated the Boston Consulting Group's matrix. But perhaps most important, the PLC enables marketers to think dynamically. The segmentation and positioning concepts discussed earlier are static until cast in a PLC. It helps prediction of the likely future bases of competition and how a strategy may have to be modified. It aids understanding of the evolution of a broader market or industry by recognizing product class cycles, product category cycles, and brand cycles.

The concept has not, however, been developed into a precise tool. The slope and duration of each stage of the cycle for particular products requires much judgment and varies from industry to industry; the PLC is not a completely independent variable—it is itself heavily influenced by the very strategies it predicts; and, unlike biological life cycles, a PLC stage can be renewed, through opening up a new segment [Buzzell, Cook, Peterson, & Hase, 1969; Cox, 1967; Dhalla & Yuspeh, 1976; Enis, La Garce, & Prell, 1977; Polli & Cook, 1969]; others argue that it is a descriptive concept—we cannot predict when it will apply and when it will not [e.g., Porter, 1980].

Partly in response to these criticisms, marketers and others are now moving to extend the PLC to a

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theory of market evolution. This work is still in its early stages [Abell, 1980; Biggadike, 1980; Buzzell, 1979; Day, 1980], but I will sketch its direction and content. Our first objective is to get away from focus on a product to focus on the market for a particular generic need (for example, the personal financial transactions market as distinct from the automated teller machines product). This shift should help us to see discontinuous changes in the environment (in the spirit of Levitt's [1965] famous "transportation industry" advice to the airlines).

This shift also facilitates the study of supply (as emphasized by industrial organization economists). Thus, in forecasting the evolution of a market, we are studying:

> *Demand.* How are the market boundaries changing over time? What is the nature and extent of segmentation over time? What is the nature of customers' buying behavior? What is the growth rate?
>
> *Supply.* How many competitors will there be over time? What will be their relative sizes and shares? How will the value-added structure change over time?

Analysis of the demand side suggests the extent of differentiation in a market. Analysis of the supply side suggests the level of concentration. These judgments lead to a simple taxonomy of markets: Concentrated – Differentiated, Fragmented – Differentiated, Concentrated – Undifferentiated, Fragmented – Undifferentiated. Thus, if a market is expected to evolve to a Concentrated – Undifferentiated type in maturity, share-building objectives in the embryonic and growth stages are important so that the business has the lowest cost position in maturity. Such an emphasis on share building, however, would be disastrous in a Fragmented – Differentiated market type (such as the furniture industry or many distribution industries). Here, strategies that position rivals against specific segments are indicated.

Of course, the analytical tasks of forecasting the extent of differentiation and concentration remain. To facilitate this work, we are trying to identify "environmental drivers"—which influence the characteristics of a market (such as whether or not there is an experience curve effect, the magnitude of economies of scale, the heterogeneity in customer demand)—and examine to what extent different values on these drivers predetermine evolution, at what pace, to what kind of market. For example, an experience curve and homogeneous demand (e.g., an electronic component) are likely to lead to a Concentrated – Undifferentiated market type. But, if demand is sufficiently heterogeneous (as perhaps in the case of automobiles), experience curve and scale economy effects can be partially offset and a Concentrated – Differentiated type results. This market type permits the survival of segmented strategies, such as those followed by Mercedes-Benz, Rolls Royce, and Porsche.

Abell's [1980] research in industrial markets suggests that in the early stages of market evolution, customers are seeking solutions to single problems or functions (for example, cash dispensing). In our taxonomy, these customer needs beget competitors offering components and a Fragmented – Differentiated market. Later, customers take more of a systems view of their needs and competitors offering systems have a relative advantage. Because of the resources that a systems-based strategy requires, we might expect a more Concentrated market. Next, the systems competitors ignore some segments and we may see re-emergence of component competitors and a Fragmented – Differentiated market.

Work on market evolution also deals with the task of forecasting which stage a market is in and when it is about to move. For example, the guidelines shown in Table 4 help identify stages of market development.

As to when a market will change stages, Levitt [1965] offers this prescription: the mature stage will last as long as there are no substitutes, no shift in customer values, no changes in demand for complementary products, and no changes in the rate of obsolescence of the product or in the rate of product modifications.

The common premise behind this work is that we can understand and predict market evolution only after analysis of the drivers and market characteristics: customer needs, problems, or functions (of both end users and channels); competitor strategies; substitute and complementary products; technology and cost/price characteristics [see also Porter, 1980].

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Table 4
Indicators Helpful in Identifying Stages of Market Evolution

Indicator	Early Stages	Late Stages
Growth rate	high	low
Mass merchandiser % of total sales	low	high
Competitor entry	high	low
Competitor exit	low	high
New feature introductions	low	high
Age of products/services	young	old
Rate of technological change	high	low
R&D/sales revenue ratio	high	low
Marketing/sales revenue ratio	high	low
Real price behavior	rapid decline	stable
Replacement sales % of total sales	low	high
Customer emphasis on education	high	low
Customer emphasis on price	low	high

Concluding Remarks

The distinctive feature of marketing for strategic management students is that, although it is one of the business functions, it is a function that is directly concerned with the organization's environment. Consequently, marketing has a perspective that is critical to strategic management. This perspective is captured by the marketing concept, which provides strategic management students with both a philosophy and an operational method for resolving strategic management issues and for integrating the activities of the business: make "the business do what suits the interests of the customer" [McKitterick, 1957, p. 78].

Marketers operationalize the marketing concept by segmenting customers and positioning competitors on perceptual maps. This work frames the strategic choice issue as decisions about which segment of the market to serve, and with whom to compete. Normatively, segmentation and positioning research have shown the importance of focus and concentration in strategy. Finally, marketers help strategy students to conduct dynamic analysis with the concept of the product life cycle and an emerging theory of market evolution.

The enormous and diverse array of research in marketing has not led to many "general facts and laws"—either for marketing or for strategic management issues. Marketing does, however, have a rich basis for hypothesizing about strategic situations and a growing body of techniques to explore these hypotheses. Most reported research, however, is ad hoc problem-oriented research with little attempt to integrate and extend relationships to other situations. I judge that many marketers today are not scientists in the theory-building sense but technological virtuosi in solving problems at a brand or, occasionally, product level.

This survey therefore leaves me both optimistic and pessimistic. I am optimistic in believing that marketers have concepts and tools to attack strategic management issues. I am pessimistic in doubting that this attack will lead to theory, primarily because of the data acquisition problems that all researchers in strategy face, which will therefore perpetuate ad hoc, firm-specific, problem-oriented research. Also, I am not convinced that many marketers are interested in raising their level of aggregation to the business-unit or industry-unit level and their time horizon to the long run. It is reasonably straightforward to apply a quantitative technique to a brand over the next twelve months. It is far less straighforward to apply the same technique to a product class over the next five, ten, or twenty years.

What I see, then, over the next few years from marketers, is more conceptual development (e.g., market evolution), improved technical expertise (e.g., market definition and quantitative models), and, of course, more methods for surveying, segmenting, and positioning customers. In other words, we can expect more of the same—concept and methods. It will be up to strategic management students to make the transfer to their issues.

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Received 1/14/80

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