



THE POSITION OF MARKETING IN A CONTEMPORARY ORGANIZATION — CHARACTER OF CHANGES



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DOI: 10.14611/minib.15.01.2015.01



Summary

Knowledge from the area of marketing is evolving and what reflects this evolution are new marketing concepts formed in response to the challenges arising from the environment of companies. The main problem discussed in this article is the assessment of the character and scope of the changes in the role of marketing in a company in the context of adaptation to new conditions in the market environment, in particular, covering such phenomena as: rivals' activities, consumers' preferences, as well as technological changes and the globalization of markets. In the first part of the article an overview of classic solutions for the positioning of marketing in a company, described in literature concerning marketing is presented. In the second part an attempt was made to define the current role of marketing in a company from the perspective of the positioning of this function in the structure of a contemporary organization, as well as to define the tasks ahead of the marketing director (leader). The deliberations were based on secondary sources of information — marketing magazines and practical examples.

Keywords: marketing, consumer preferences, marketing competition, marketing in organizational structure, leader of the marketing function

Role of marketing in a company over the years

The role of marketing in the 20th and 21st centuries has evolved from product support in the 1920's to creation of company value at the beginning of the 21st century. In this period it is possible to distinguish seven characteristic ways of understanding the role of marketing in a company, that is, from a simple function to a comprehensive concept. The analysis of the development of marketing in the dynamic view suggests that:

- the period from 1920's to 1940's involved treating marketing as a function in a company responsible for supporting the sale of consumer goods, mainly through the utilization of promotion tools,
- 1950's were about creating the satisfaction of the buyer through the utilization of segmentation, choice of target market and constructing an appropriate marketing-mix,
- 1960's were marked by dynamic growth of knowledge about marketing and perception of its role from the perspective of maximizing the gains of a company, which in turn influenced the development of marketing structures (departments),
- 1970's were characterized by the growth of significance of strategic planning in companies and as a result, an important share of marketing in the creation of corporate strategy, as well as centralized system of making marketing decisions,
- 1980's were a period of decentralization of marketing decisions and the period in which marketing started coordinating various company functions eg. sales, finances, research-development works,
- 1990's brought significant changes to the environment of companies associated with the growth of competition, the need to build relations with the client, development of the Internet, which influenced the perception of marketing as a way of achieving a company's financial goals.
- the first decade of the 21st century is the presentation of the role of marketing in the context of creating company value, including in particular the value for the buyer.¹

It is also worth paying attention to the course of development of marketing in Polish companies. As Z. Waśkowski remarks, the end of the 1980's and the beginning of 1990's is the period when many economic processes in Poland were adapted to the requirements of free market. It was also then that companies started their marketing activities. An example of this activity was establishing marketing departments in companies' organizational structures, often characterized by random choice of personnel, lack of marketing competences of these units, as well as lack of understanding of these activities among the heads of other organizational units. It was also a period when the employees of marketing units gained marketing experience, developed their knowledge and skills (Waśkowski, 2014, p. 90–95). Later, at the end of the 20th and the beginning of 21st century the so-called operational marketing emerged among Polish companies. It was characterized by aggressive promotion, including the utilization of English names (brands) by Polish entrepreneurs. At the same time, the first decade of the 21st century was marked by the development of market and marketing research. The results of this research were used to build marketing mix tools and adapt them to the identified segments of individual buyers. This is also the period in which the position of the marketing function in a company gained strategic significance and marketing directors started joining the management boards of companies, thus gaining the opportunity to participate in making key decisions. In the following years of the 21st century dynamic development of marketing knowledge and at the same time dispersion of the marketing function in companies through the creation of eg. customer assistants, customer service offices, or call centres was observed. As Z. Waśkowski remarks, an effect of the changes in perception of the role of marketing is its strong relationship with sales and market communication in the recent years. Another effect is that marketing has lost strategic importance in the process of management of the whole company (Waśkowski, 2014, p. 94–95).

Here it is also necessary to emphasize that what has become particularly important for contemporary entities active on the market is the concept of relational marketing (also called relationship marketing, or partnership marketing), which has been successfully implemented by service-providers representing various forms of ownership, scale and areas of activity. The concept of relational marketing, according to the

view of its creator Ch. Gronroos, means actions aimed at identifying, establishing and maintaining relations with clients and other entities (stakeholders) in such a way that all sides achieve their goals. The concept of relational marketing has been evolving and the following have been identified as the basic values of creating long-term relations: cooperation, trust, engagement, communication and satisfaction. As a result, we can conclude that relational marketing focuses its attention on the management of the relationship of an organization with entities — stakeholders from its environment, which is continuous and long-lasting in character and the created common value makes it possible for both the organization and its clients to achieve their goals (Pluta-Olearnik, 2013, p. 66–67). Relational marketing understood this way also fits in the concept of value-based marketing, which dominated the research conducted in the first decade of the 21st century.

Contemporary challenges of marketing

Referring to the last stage of development of marketing, that is the perception of the role of marketing in the context of building company value and, in particular, value for the buyer, it is necessary to note that this doesn't mean an "automatic" change of understanding of marketing in Polish companies in the second decade of the 21st century. This is a consequence of approaches to marketing established through practice, especially with regard to companies functioning on a local, national scale. New understanding of marketing referring to the concept of company value is closer to the practice of the functioning of listed companies with a global reach. As numerous researchers dealing with this subject note, in this period the short-term perspective of the assessment of marketing activities was imposed and this goes against the long-term occurrence of the effects of many marketing activities.

In light of the highlighted phenomena, contemporary marketing faces serious challenges. The following are some of these challenges:

- modernization of the perception of marketing in companies which involves assuming the perspective of creating value, including value for the buyer,

- understanding that some of the effects of marketing activities appear in the long term,
- the assessment of marketing activities in a company in the context of their efficiency, with the utilization of appropriate measures of efficiency of these activities (Garbarski, 2011, p. 40).

Here it is worth paying some attention to the concept of value-based marketing, which emerged in late 1990's and showed the influence of marketing on the creation of added value for companies and their shareholders. In particular, the concept proposed by Peter Doyle in 2000 argues with all key concepts of the original version of marketing, concluding that the main goal of marketing is the value of a company for its shareholders and the most important marketing assets are associated with brand value, as well as satisfaction and loyalty of buyers. Under this marketing concept there are two kinds of effects: on the one hand these are effects associated with a company (profit, company value, brand value, sales) and on the other hand these are effects associated with the buyer (client satisfaction, value for the client).²

Later, in 2004 the American Marketing Association proposed a new definition of marketing which also referred to the concept of value. The definition formulated back then was as follows: "Marketing is a function of an organization and a set of processes serving the purpose of creating, communicating and supplying value to the buyers, as well as managing relations with the buyers in a way which provides both the organization and its stakeholders with benefits".³

What has been apparent since the beginning of the 21st century is the acceleration of implementation of modern technologies in marketing and in this respect practice seemed to outpace theory. The development of the processes of economic globalization, as well as criticism from the environment made the American Marketing Association rewrite the definition of marketing again in 2007. The new definition described marketing in the following way: "Marketing is an activity, a collection of institutions and processes serving the purpose of creating, communicating, supplying and exchange of offers which constitute value for clients, business partners, as well as the society in general" (Kotler, i Keller, 2012, p. 5). Such a definition of marketing can also be dedicated

to scientific-research institutes which target their market offer at clients expecting a particular value (eg. solving a technological problem) and the value of a product (service) is often co-created together with the client and with the participation of partners.

Organizing marketing activity in a company

The analysis of literature on the subject shows that the approach in which the basis for the analysis of marketing activities of a company - from the point of view of the organization — is a centralized marketing department is still common. However, changes in the understanding of marketing which took place over the 20th and 21st centuries have led to the emergence of a need for deeper identification of the organization of the function of marketing in companies. Moreover, the process of transition from integrated, hierarchic and bureaucratic structures in companies to flattened, disintegrated and network structures, which is apparent in practice, is becoming an important area of research on the organization of marketing. In literature on the subject it is possible to identify three main areas of research on the organization of marketing in companies. They are:

- positioning of marketing in organizational structure,
- associations of marketing with other departments, that is, strength and character of influence of the marketing department on other departments,
- scope and character of marketing activities within the structures of a particular company.⁴

The location of the marketing department in a company's organizational structures, its associations with other departments and the character of handled tasks reflect the management's perception of marketing. The most common solution is forming, within a new, or an existing organizational structure a team of employees responsible for marketing activities, who create a separate unit (department) of marketing. However, the choice of organization of marketing activities depends on the size of a company, the subject and territorial scope of its functioning. An analysis of practical solutions shows that along with the growth of company size and the scope

and intensity of marketing activities, concentrated organizational structures, headed by one person from the management of a company, are formed (Garbarski, 2011, p. 315).

However, people investigating this subject area note that in practice, it is also possible to find different solutions in which the department of marketing is not isolated from the structures of a company and marketing tasks are dispersed and handled by various persons and units specialized in eg. function of sales, exports, client service. However, as has already been noted, in practice the approach in which marketing departments constitute a separate element of organizational structure is dominant. At the same time particular organizational solutions depend on the number and characteristics of the applied criteria for the isolation of a marketing department. Here we can distinguish the following:

- *One-dimensional structures*, that is, the simplest forms of organization of marketing based on the criteria relevant to marketing activities: (marketing research, product development, distribution, marketing communication, client service), or based on the geographical criterion of activity, or the criterion of buyer groups (market segments). Such solutions are applied mainly by small companies active on an undifferentiated market, on which the needs of buyers are satisfied by homogenous products and thus, their marketing activities are not differentiated much.
- *Multidimensional structures*, in which two criteria are used (the so-called matrix structure) or three criteria are used to isolate marketing units (the so-called tensor structure). The matrix structure is used in big companies active on many markets, offering a broad range of products (companies like General Electric, or IBM can serve as examples here). At the same time tensor structure means that employees are subordinate to three (or more) superiors and the applied criteria are eg. criterion of geographic area, product and marketing function. An example of such an organizational structure is a global company with unique resources and skills - Exide Technologies — one of the biggest producers of devices for storage of electric energy in the world and the producer of acid-lead batteries used in power grids, transport and driving devices.

In table 1 possible combinations of model organizational solutions, which are adapted to the size, characteristics of a company and market conditions under which marketing activities are conducted, are presented.

Table 1. Criteria for the choice of marketing organization in a company

Kind of organizational structure	Number of product categories	Similarity of product categories	Number of geographic markets	Similarity of geographic markets	Diversification of served segments
Functional	Small	Big	Small	Big	Small
Geographic	Small	Rather big	Big	Small	Rather small
Product	Big	Varied	Varied	Big	Varied
Segmental	Small	Varied	Varied	Big	Big
Matrix	Rather big	Small	Rather big	Small	Big
Tensor	Rather big	Small	Rather big	Small	Big

Source: Garbarski, L. (ed) (2011). *Marketing. Koncepcja skutecznych działań*. Warszawa: PWE, p. 320.

Another important issue associated with the organization of marketing in a company is the character of relations between the department of marketing and other organizational units. In marketing literature there is a consensus that marketing isn't the domain of just one company department, but a venture of the whole company, which drives its strategy. The marketing department achieves success only when everybody in a company works for the benefit of the client (Kotler i Keller, 2012, p. 23). This is illustrated well by the saying of David Packard, one of the founders of computer concern Hewlett-Packard: "Marketing is too important to be left to marketing departments" (Kotler i Keller, 2012, p. 19). This means that all employees of a company have to regard clients as a source of their company's success and well-organized cooperation between departments contributes to efficient management of the most important processes such as implementation of new products, managing relations with clients, process of carrying out orders. Currently, many companies are implementing in practice the concept of process management, focusing their attention on key processes, rather than departments, as departmental organization may constitute a barrier for efficient implementation of tasks. As P. Kotler and K.L. Keller remark,

companies appoint leaders of processes, who manage interdisciplinary teams including the employees of marketing and sales (Kotler i Keller, 2012, p. 676). What's more, interdisciplinary teams can also reach for specialists from external companies, who work under the supervision of a leader appointed by the company management to carry out a particular task. Further part of the work shows the directions of changes visible in the method of organization of marketing in contemporary companies, which follow the changing market environment and a new approach to marketing management taking into consideration the value for both the company and the buyer and in the broader aspect, also the value for the society.

An overview of contemporary solutions for the organization of marketing in companies

Organizational structure of companies is subject to continuous influence of the environment, which makes it necessary to look for efficient solutions, also with regard to the positioning of marketing in the whole organizational structure. Among the main external factors, which currently influence the way marketing activity is organized in companies there are:

- *outsourcing* — that is, allocating the handling of chosen tasks to external entities specialized in eg. social media management, or marketing research,
- *benchmarking* — using the best organizational solutions in a particular area, eg. in the area of marketing communication, or sales of products and services,
- *integration with suppliers* — establishing cooperation with suppliers (business partners) in order to raise added value for the customers,
- *flattening organizational structures* — shortening the professional relationships through reduction of levels and subordinating the organizational structure to the structure of clients,
- *reengineering* — building organizational structures allowing the integration of resources and skills around the processes of eg. sales, marketing communication,

- *flexibilization of organizational structures* — modifying organizational structures in terms of better adaptation of marketing activities to the needs of the market and clients,
- *electronization (virtualization) of communication* — dynamization of organizational structures in a company and the possibility of employing external entities to handle marketing. (Kotler, Keller, Brady, Goodman i Hansen, 2009 p. 770)

The external conditions mentioned above have an impact on the organizational solutions, including those concerning the function of marketing, currently used in companies. The following can be recognized as forms of organizing marketing activity, which are supposed to better satisfy the growing requirements with regard to the efficiency marketing:

- *project marketing teams (task-oriented)* — built for the purposes of short-term ventures, characterized by shallow organizational structure and gathering representatives of the marketing department and other departments of a company eg. production, finances, as well as — if needed — external advisors,
- *virtual marketing teams* — built from a group of people functioning in real world, separated in time and space, cooperating on the implementation of a company's defined marketing targets, using informational-communicational technologies, including specially designed social media,
- *marketing solutions in network organizations* — utilizing the competences of external entities eg. suppliers, partners and clients in creation of offered value.⁵

As mentioned above, it is becoming necessary to look for new forms of marketing organization, which would replace the classic, centralized model of functioning based on a company's internal resources. New solutions are more flexible and utilize specialist external resources (eg. for building task-oriented teams), apply electronic channels of communication (eg. for building virtual marketing teams) and are based on the built relations with external entities (eg. suppliers, partners, clients). As G. Mazurek remarks, virtual marketing teams are an example of "reconfiguration of the organization of marketing activities and resources necessary for this

activity” (Mazurek, 2012, p. 547). In table 2 the traits characterizing virtual marketing teams, as new organizational structures with a potential to replaced centralized solutions, are presented.

Table 2. Characteristics of a virtual marketing team

Area	Details
Decision-making center	Carrying out tasks and activities coordinated by a marketing leader, but planned and organized together with other entities
Reason for creation	Focusing on the implementation of a particular goal during activities
Perspective of activity	Perspective of efficiency, that is, a project is conducted with a task-oriented approach and the measures of success of the project are defined
Financing	Marketing leader manages the budget of the team, which is defined in detail, the efficiency of utilization of funds is evaluated
Participating entities	Department employees, entities providing marketing services, other partners-employees of other departments, consultants, specialist agencies (eg. interactive), clients
Role of participants	Partnership, everybody contributes to the creation of a solution; the success of the solution means the success of each of the entities
Place of activity	Virtual environment, including, among others, social media (social media platforms, blogs, groups)

Source: Mazurek, G. (2012). *Znaczenie wirtualizacji marketingu w sieciowym kreowaniu wartości*. Warszawa: Wydawnictwo Poltext, p. 136.

The concept of virtual marketing team presented in table 2 has the advantages satisfying the contemporary requirements of companies' market environment, that is:

- gathers entities specialized in a particular area (including: interactive agencies, providers of Internet services, social media agencies, marketing consultants),
- it is characterized by the rapidity and flexibility of action thanks to functioning in a virtual environment,

- it enables access to specialized resources existing outside a company without the need to own such resources,
- it is efficiency-oriented, that is, it has a defined budget, tasks, measures for the assessment of achieved effects.

As there are no perfect solutions, it is necessary to mention the limitations associated with the activity of such a virtual marketing team, that is:

- loss of independence of activity and control over the tasks allocated to partners,
- limited trust among partners of the exchange,
- potential opportunism arising from different definitions of own benefits,
- conflict of interests,
- potential asymmetry of the achieved benefits,
- problems with coordination of activities conducted by other cooperating entities (Mazurek, 2014, p. 548).

Summing up this thread of discussion, it is necessary to note that the organization of marketing activities using the model of virtual marketing team is a real challenge. On the other hand it is attractive due to growing specialization within a particular areas of knowledge. However, using these new opportunities means in practice reaching for resources located "outside" a company. As research conducted abroad shows, along with the process of companies' departure from integrated, hierarchical and bureaucratic structures in favour of flattened, disintegrated and network structures, the need for deeper investigation of the organization of marketing functions in companies is growing (Matysiewicz i Smyczek, 2014, p. 540). Exceptional role of marketing is visible in complex organizational structures mentioned above, which include also network organizations. Network organization can be defined as a cooperation network of organizations which are independent in legal and organizational terms, associated in terms of capital structure, or not. However, it is also based on the entities' synergistic potential in at least one areas of functioning and cooperation broader than one-off exchange. The most important features of a network organization are:

- coordination of activities based on cooperation of entities in a particular sphere of "the inside of an organization" (technology, infrastructure, human resources, etc.),
- joint decision-making in a defined sphere of cooperation,
- repeatability of relations between entities and maintaining them in the longer time horizon for the purpose of implementation of common strategic goals.

Marketing in a network organization plays the role of an integrator — it is focused on creating and maintaining relations between organizations, it is based on cooperation and negotiations. Benefits for entities involved in network cooperation include, among others, growth of the level of their marketing knowledge, product development, development of distribution and promotion system, reductions of costs. A view which dominates the literature on the subject is that from the point of the future, the "department" of marketing will be formed based on network associations. However, practical experiences gathered up till now shows that we are still dealing with structured location of marketing in companies which takes the form of centralized and formalized, or decentralized and specialist organization. At the same time new challenges are being formulated with regard to people serving the role of marketing director in companies. What is being emphasized is the fact that the position of marketing director has to arise from his position in the structure of company management (as vice-president, or member of the management board) and his main task is integrating all units around the needs of target market segments. Moreover, expectations with regard to the head of marketing are associated with the ability to evaluate the efficiency of marketing activities and in particular in the short term, despite obvious formulation of marketing goals in the strategic dimension. Another challenge is "going outside" company's organizational structure and the ability to form task-oriented marketing teams with the utilization of outsourcing and possibilities of virtual cooperation. Such solutions help create value for a company and value for clients, which constitutes the essence of marketing activities in a contemporary organization.

Conclusions

1. As long as in the past it was possible to attribute the handling of marketing functions clearly to particular employees of a company (department of marketing), the competences of marketing department employees have been gradually narrowed down. Generally, this corresponds to the concept of building market orientation of the whole company, emphasizing the contribution of all employees to the implementation of a company's marketing. Currently, most decisions mentioned in textbooks as marketing decisions are made outside the marketing department. We should expect that this process will be gaining strength and that organization of marketing will have to adapt to the apparent change in the perception of the role of marketing in a company. This has an impact on the internal organizational structure.
2. The organization of marketing on scientific-research institutions is subject, or will be subject to similar changes. Taking into consideration the fact that science and research sector, in which these institutions function, is in essence about specific service provision, the expectations from the marketing department are even greater than in manufacturing or trading companies. As a research product is complex, it requires direct involvement of people from many departments of a research-scientific institution, certainly, the role of marketing as an integrator of various functions cannot be overestimated.
3. The presented directions of changes in the organization of marketing which involve going "outside" of a company in search of specialist resources and competences in the environment is an inspiring direction of development of marketing also for research-scientific institutions. In particular for clients and partners in the creation and provision of research product it may prove to be valuable and clearly influence the final value of a product for the client, also raising the efficiency of marketing activities and generating higher profit for an institution. Obviously, new solutions like virtual marketing teams, or marketing in a network organization are associated with limitations, fears associated with sharing own skills, knowledge with partners — such a cooperation requires high level of trust in partners, symmetry in achievement of

benefits (marketing, financial), good coordination of the activities of formed teams.

4. The requirements (especially in the area of coordination) with regard to main leaders of marketing functions (processes) in companies, that is, heads of marketing departments (directors) are changing. The employees of these units should be actively building up new skills, such as efficient work in virtual environment, or the ability to cooperate in an interdisciplinary project team.

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- ³ Definitions of marketing and their evolution are discussed in greater detail in the following article: Mazur, J. (2010). Przeszłość i przyszłość marketingu. *Zeszyty Naukowe Kolegium Gospodarki Światowej SGH*, (27), 19–42.
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