CHAPTER 1 Marketing Thinking

Have you ever experienced being stressed out or anxious before having to tackle a challenging task that required you to think? The stress could be from being in heavy traffic before coming to work or school. Or you could simply be anxious about all of the tasks on your list of things to do. In either case, the stress or anxiety makes the thinking tasks at hand more difficult. In a perfect world, being stress free and doing things at your leisure, when you are ready, would be ideal. However, the world we live in, with its constant demands, isn't stress free and, hence, it's necessary to learn how to deal with it and still get things done. Knowing what state of mind you are in and when you work most effectively is the starting point. If you know you are anxious and your mind seems to be going in many directions, then it is time to stop and take a moment to allow your mind to settle. The mind is able to focus when in a more relaxed state, and it is in this state that you are able to think more clearly and effectively.

Each chapter begins with a decompression exercise. Their purpose is for the reader to take a moment to relax before engaging in the task of thinking. A decompression exercise can involve anything that leads to relaxation such as listening to music, going for a walk, taking a bath, or simply taking a moment to notice something simple. Those offered throughout the text can be experienced in a few moments in the classroom or before studying. Preparing for thinking is no different than when athletes stretch and warm up prior to an event. Developing the practice of preparing for the task of thinking will enable you to be that much more effective at it; it will seem easier and require less time. In today's busy world, this simple strategy of taking out time to relax before working on a challenging task can make your life that much more enjoyable while accomplishing what you to do. Give it a try. Before jumping into the chapter, try the following decompression exercise or simply take five or 10 minutes out to do something that relaxes you.

Decompression Exercise

Take a few moments and consider the following: When was the last time you noticed something simple? What was it? How did it make you feel?

Figure 1.1 A Flower

Chapter Introduction

What is it that draws people to the marketing profession? It may have something to do with its ubiquity and high visibility throughout our everyday experiences. Marketing seems to be everywhere and hard to avoid. At the same time, it is a part of contemporary society and inherently possesses interesting qualities. It can grab our attention, make us laugh, affect our preferences, and, ultimately, get us to spend money. It is in these everyday experiences with marketing that the curiosity for marketing and wanting to find out more about this profession begins. How do marketers come up with those interesting advertisements? How does marketing generate money? What goes into becoming a good marketer? And why are some marketers better at marketing than others?

To become a marketing professional requires learning how to think like a marketer. It is similar to wanting to become an artist, which is to learn their particular way of thinking to be able to engage artistic activities. The same could be said for all professions. Within business, accounting, finance, management, and so forth, each involves different forms of skilled thinking.

What does marketing thinking involve? Take, for example, marketers like Steve Jobs of Apple, Jeff Bezos of Amazon, Pierre Omidyar of eBay, and A. G. Laftey of P&G. What made

their thinking different from that of others? And could it be learned? The answer is a resounding *yes*. All have had a major impact on their markets, changing and redefining the nature of competition to the benefit of their organizations. In a recent *Harvard Business Review* (*HBR*) article, innovators such as these were studied to reveal their "innovator's DNA"[1] to understand how they develop "ground breaking new ideas." Several of the key "innovator's DNA" characteristics identified in the study were the ability to form associations and to continuously ask good questions.[2] Their questioning was a natural habit challenging the status quo, and this habit became infectious and an integral element of their companies' cultures. Within the challenging of the status quo is also the inclination toward change, which involves an interest toward adapting to unfolding situations and being agile in doing so. The agility here is a thinking agility that is in contrast to the status quo. It is through developing their questioning skills that they have been able to hone their thinking agility.

Marketers have to be resourceful and insightful to be able to navigate effectively across difficult landscapes. Today's markets are more dynamic than ever before. Financial upheavals, changing demographics, advances in technology, environmental concerns, and an increasing rate of innovations represent the landscape in which marketers conduct business. Each alone is challenging enough, but when combined, the task seems insurmountable. To be a skilled marketer today requires a particular type of thinking that isn't fixed, but agile. Developing marketing thinking based upon an agility perspective for strategy purposes is what this textbook explores.

What is a thinking agility perspective based upon? First, it recognizes that all thinking is limited in some form or another and, as such, the limitations must be recognized to have an eye for other possibilities. Second, everything is constantly in the process of change. So the marketer's thinking must also involve change. If the marketer's thinking remains fixed and the marketplace is changing, then the marketer, in essence, is becoming further and further removed from what is taking place within the marketplace, putting the organization's resources at risk. Thinking agility is consistent with a changing, dynamic marketplace. The more agile the marketer is in his or her thinking, the more able he or she would be to participate within the marketplace. Third, thinking agility is also about participating in the marketplace in ways that affect its nature, which requires new ways of understanding such changes. For example, the marketplace is transformed through new innovations with new forms of competition, practices, and/or consumption. As such, thinking agility involves understanding and developing new concepts, theories, and approaches leading to new strategies.

For example, consider the concept of *value*. Marketing involves marketing something. To pay for what the marketer is offering, there must be some form of value associated with it. Questions arise as to who is creating the value: the marketer, the consumer, or others? And where does the value reside? The answers to these questions have implications as to how you are thinking and their corresponding strategies.
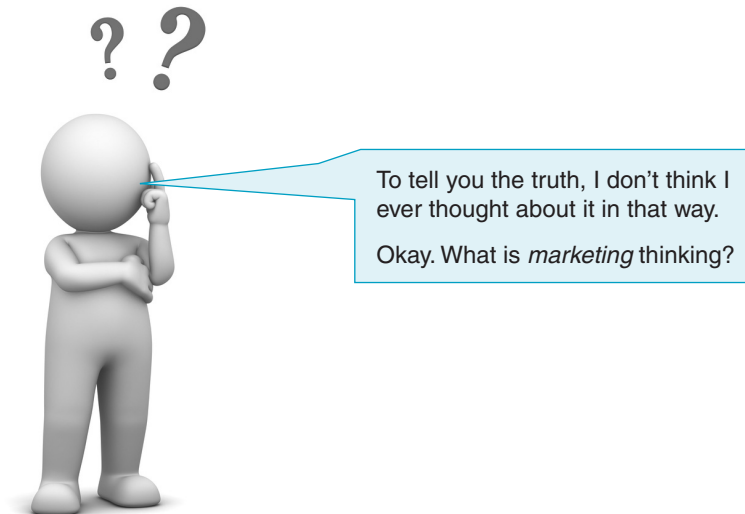
If you assume the marketer is creating the value in the form of a product, then the value resides within the product (i.e., a *value-in-product* or *value-in-the-thing*) and the marketer is the one creating the value (an internal perspective). This view is consistent with a traditional perspective of marketing, leading to strategies based upon competition, persuasion, and targeting. On the other hand, if you assume an external perspective in which the consumer is creating the value in terms of how the product is to be used, that is, a *value-in-use,* or take into account brand communities via the Internet and social media where value is being created through the brand communities' practices, that is, a *value-in-practices,* or consider emerging organic collaborative channel configurations referred to as holonic value nets where value stems from the orchestration within to accommodate more effectively consumers' customized requests, that is, a *value-in-orchestration*, then in each case, who is creating the value is different, the concept of value has changed, and each involves a different form of thinking leading to different marketing strategies.

As we will see throughout the text, the value concept is changing with developments occurring within the marketplace as well as with marketing thinking. As the value moves around, this phenomenon can be described as chasing the *value tail,* which calls for greater marketing thinking agility to keep up with it. To get started, we'll need to examine what marketing thinking entails and to begin developing our thinking agility.

Marketing Thinking

Anyone with the ability to think and an interest in marketing can learn to think in a *marketing way* (the italics symbolize its dynamic nature). A thinking approach to learning marketing is different from simply learning about marketing. Instead of simply reading about it, a thinking approach to marketing requires you to actually try on the different forms of marketing thinking, to experience them. Through the act of experiencing them, your thinking is actually being affected (changed) in the process. If you have had the opportunity to read a number of marketing books or textbooks, you may have noticed that the focus was on marketing versus marketing thinking per se. The focus was on the content of marketing as a discipline in terms of concepts and theories. While we are interested in these elements of marketing, the primary focus here is on developing your marketing thinking, which can involve these elements, and how this skill or capability will help you develop more effective strategy.

A central premise is that marketing involves a particular way of thinking that is different from other forms of thinking such as thinking in an *accounting way* or in a *finance way*. Each has a particular perspective. Have you ever thought about what marketing thinking actually looks like? How is it different from other forms of thinking? And what is it about this form of thinking that can lead to more effective strategy?

> To tell you the truth, I don't think I ever thought about it in that way.
>
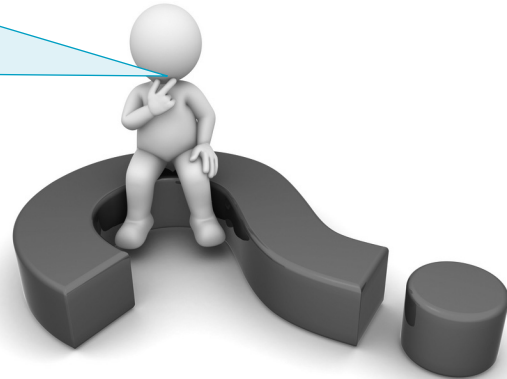> Okay. What is *marketing* thinking?

All thinking involves questioning, and **marketing thinking** pertains to a particular type of questioning. It occurs when someone asks how to compete successfully by providing value (creating choice) as defined by some targeted market. It is an active, cognitive engagement centered on strategically out-thinking (or out-questioning) the competition.[3]

As we will see over the chapters, the nature of the questioning pertaining to marketing thinking will change when considering a more traditional view of marketing versus its more contemporary form. What stays the same is that there is always some form of questioning involved when engaged in marketing thinking. The above definition provides a good starting point for understanding what the questioning of marketing might involve.

> Let me see if I have this straight. What we are going to be learning are the questions or the questioning that marketers ask in the practice of marketing. Is this correct?
>
> So, it's not about memorizing concepts and theories? Wow, this seems different. But aren't the concepts and theories found in marketing the answers?
>
> And how can questions be more important than the concepts and the theories? Interesting!

With such questions, you are already starting to think and question the learning process. Hold on to these questions for a moment. They will be answered when we discuss what marketing thinking actually looks like and its various facets. But, before moving on, try the following short task and see what you can come up with.

Marketing Thinking Challenge 1.1: Interesting Marketing Questions

All of us have experiences with marketing, either professionally or as consumers. Therefore, this task shouldn't be too difficult. Put yourself in the marketer's position and generate 10 interesting marketing questions that you think would be useful to the marketer. Try not to evaluate your questions; simply list interesting ones. You'll use these questions later in the book to see how your questioning is changing.

Figure 1.2 Question Marks

Your list of 10 **interesting** marketing questions:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Marketing Thinking and Effective Strategy

| Figure 1.3 | The Word *Strategy* |

With this preliminary understanding of marketing thinking in mind, it is a good time to introduce what is generally meant by a strategy in a marketing context. In essence, *strategy* is a way to be meaningfully different in the marketplace. "It means deliberately choosing a different set of activities to deliver a unique mix of value."[4] "Choosing to perform activities differently than rivals do."[5] Or reconfiguring a company's value chain by changing its activities or sequence of activities.[6]

Here, a strategy is an organization's way to be different in terms of what is being provided and the manner in which it is provided in the marketplace via its configuration of activities. From this perspective, all organizations can be viewed as a composition of activities that include financial, accounting, operations, management, marketing, and so forth. The configuration of these activities in terms of which ones are selected, how they are interrelated, and how they are provided can be thought of as the organization's process for being different

in the marketplace—that is, its strategy. For example, consider the differences between experiences with eating at McDonald's versus a fancy French restaurant. The experiences are different because of how these organizations configure their activities. They have different strategies for how they operate within the marketplace.

Strategy involves choices and decisions. Developing choices and the way in which the choices are to be decided upon is a matter of marketing thinking. The better your marketing thinking and the better the choices to choose from along the level of scrutiny given to the choices at hand, the better, ultimately, your strategy and, hence, a stronger position from which to compete.[7] As stated previously:

Figure 1.4 Strategy—A *Way* to Be Different

> All thinking involves questioning, and **marketing thinking** pertains to a particular type of questioning. It occurs when someone asks how to compete successfully by providing value [creating choice] as defined by some targeted market. It is an active, cognitive engagement centered on strategically out-thinking (or out-questioning) the competition.[8]

The focus of marketing thinking, the questioning, is on creating a **differential in value** (or choice) as defined (or understood) by the marketplace or those being pursued (the targeted market). The providing of value is done through a series of activities conducted by the organization. The configuration of these activities represents an organization's strategy—which activities, how the activities are to be done, the outcomes of the activities, and synergistic effects in combining the activities are all elements of strategy. In the end, the **effectiveness of a strategy** is determined by the marketplace—which is determined by what is being provided by the organization and whether it is received as a meaningful preferential difference in value and the degree to which the marketplace acts accordingly.

The larger the perceived differential in value—that is, the greater the contrast between an organization and its competition—the better it is for the organization. The degree of contrast is also an indication of the greater degree in effectiveness (i.e., preferential marketplace position or greater competiveness) of its strategy being employed. This also underscores the *playing field* in terms of where the competition is actually taking place—the competition occurs through *those targeted*. The playing field is the psychological landscape of the consumers being targeted. If those targeted do not perceive a differential in value or if they perceive your offering to be less than what others are providing, this would be due to an ineffective strategy that puts your organization into a less desirable market position. The remedy for this is marketing thinking. Later on in the text, this competitive view of marketing thinking is challenged and an alternative perspective is offered. However, what is central here is that the marketing strategy is directed toward having an influence or an effect on people in the marketplace in one form or another. Before moving on to explore at a deeper level what marketing thinking encompasses, try the following MT Challenge.
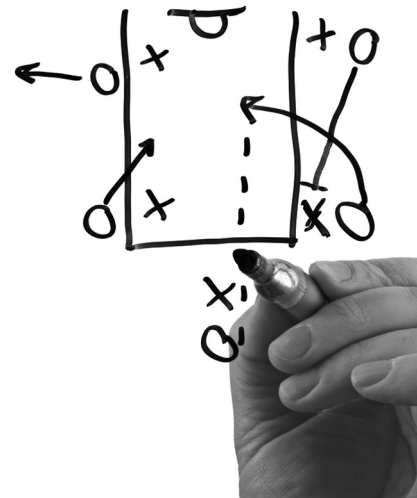
What are some of the main activities your organization or one you are familiar with performs and how do they translate into what the consumer experiences? How could these activities be done differently and how would that affect what the consumer experiences? Would such changes make a difference?

Suggestion: Start by defining what you mean by an activity. How is an activity different than a product?

Figure 1.5	Identifying Strategy

Marketing Thinking: 4-Dimensional Spherical (4-DS) Thinking

In the past, you may have seen thinking portrayed as being linear or one-dimensional (e.g., critical thinking), but these characterizations limit the scope of marketing thinking, which is much more spherical and multidimensional.[9] Figure 1.6 is a graphical representation of thinking.
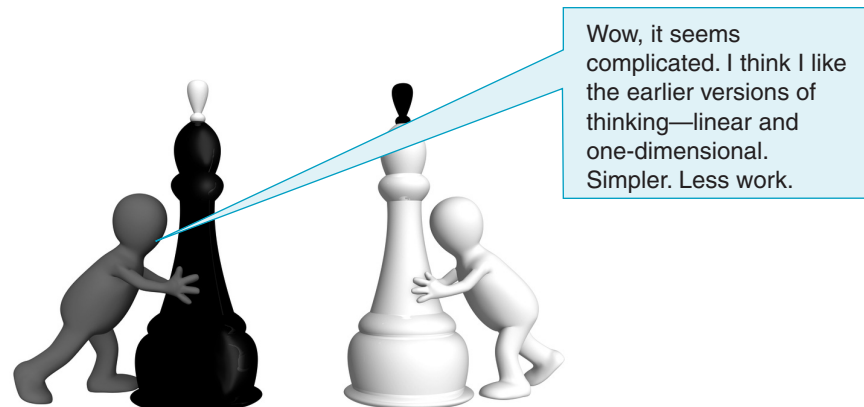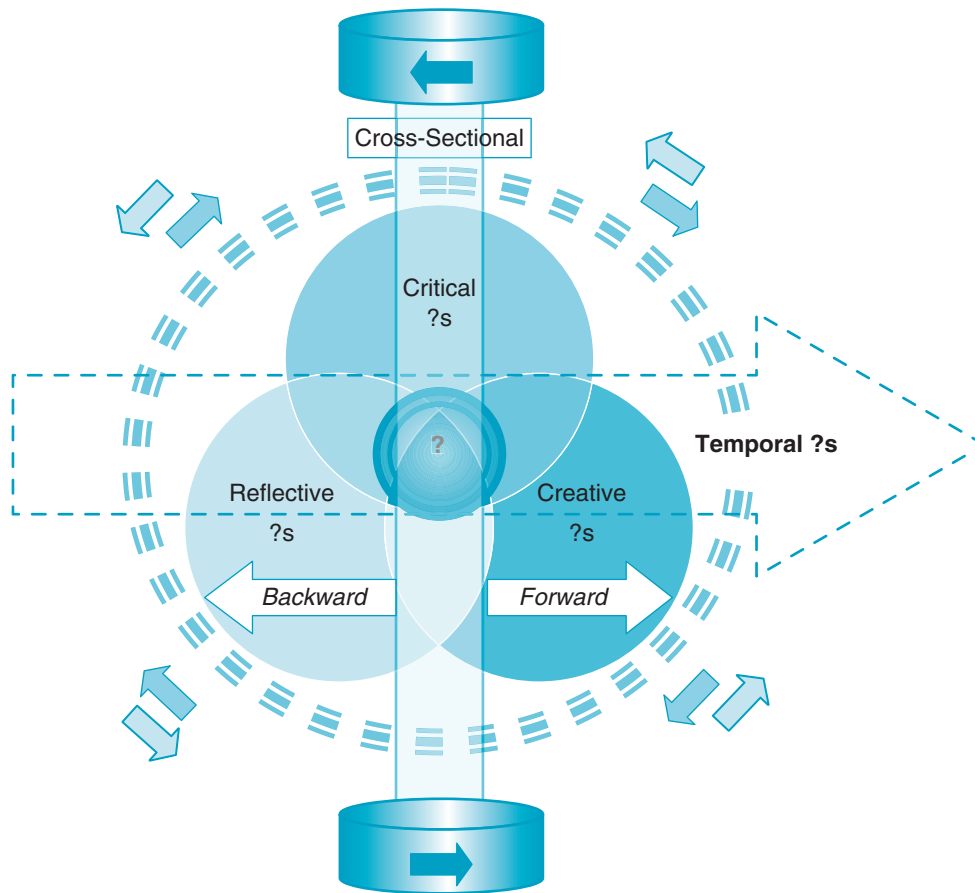
Figure 1.6   4-Dimensional Spherical (4-DS) Thinking

Given the dynamic nature of today's markets, it's important to be in a position to see changes as they are developing. Therefore, we need to consider more than one dimension. To be successful, like the innovators mentioned in the beginning of the chapter, we need the full range of thinking tools or skills to be able to be that much more resourceful and insightful. Once you understand what this view of thinking involves, it may not be as complicated as it first appears. Also, all unfamiliar things tend to seem complicated until they become familiar. This process involves effort. Thinking involves effort. Furthermore, thinking is like any other skill—with practice, it will become easier and you'll get better at it. It might actually be fun.

Being open or curious and willing to consider something new is a good starting point. Actually, curiosity is the fuel for thinking. The more curious
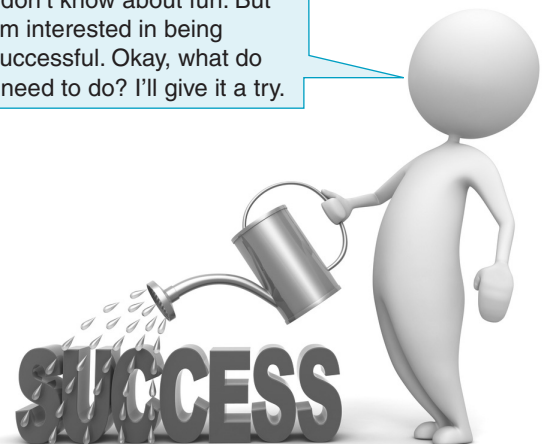
you are, the more willing you'll be to explore unrelated things that will potentially lead to new views or understandings. The 4-DS Thinking model basically has the following three main features:

Figure 1.7	Dimensions of Marketing Thinking

Temporal — Thinking in Time

a. Change—The status quo is CHANGE, which should be integral to your thinking and strategy.

b. Expect CHANGE and be prepared for the UNEXPECTED (CHANCE).

First Feature: 4-Dimensional Perspective
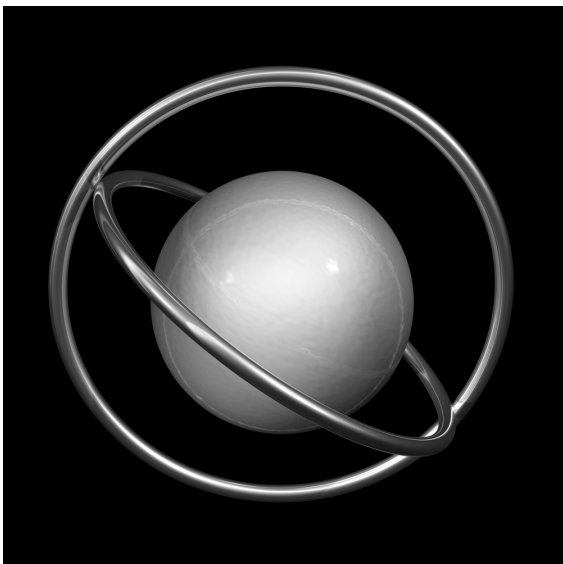
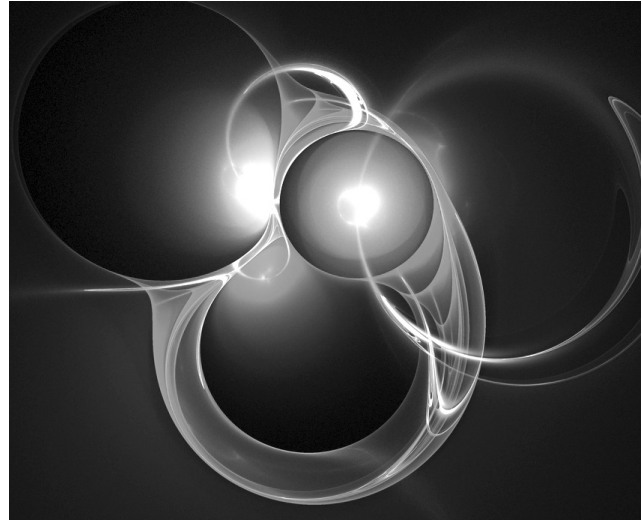Thinking can freely pivot in any direction within each of the four dimensions.

Second Feature: Spherical Perspective

(Continued)

Figure 1.7 (Continued)

The four dimensions interrelate to form a particular 4-DS view of the situation.

The particular 4-DS view represents a perspective.

Strategy is the marketer's way to be meaningfully different in the marketplace. To be different means to be innovative. This is where creative thinking comes into view. **Creative thinking** involves generating new ideas, innovations, and ways of doing things. It requires a type of questioning that looks forward in time and, hence, is a forward-looking form of differentiating.[10] Several of the key "innovator's DNA" characteristics identified in the *HBR* study were the ability to form associations and to continuously ask good questions.[11] Their questioning was a natural habit challenging the status quo, and this habit became infectious and an integral element of their companies' cultures. Creative thinking involves these aspects but also has an extension feature or orientation to it—it's about the new. In essence, the new is a function of the old but is more than the old. For example, 2 + 2 = 6 or old + old = new. When engaged in creative thinking, we are searching for associations to be formed that then become the platform for the new. The advances in technology or any innovation are based upon this process of leapfrogging from existing associations on to the next.

Figure 1.8 Using the Old to See the New

To see the new, to be in the position to ask the questions that lead to the new, requires rising above the old (what we know, the familiar)—and using the old as a platform from which to see the possibilities for the new. For example, what if you looked for two things that are typically not seen as being associated with each other; what new possibility could be seen in doing so? Looking at these two known, familiar things in this new way represents an opportunity to see a new association that could lead to a new possibility in the form of a new product and/or service category. Try the following exercises.

## Marketing Thinking Challenge 1.3: Creative Thinking

For this challenge, see if you can create three new associations. Part A. Identify two unrelated things to form a new association. What are they?

1. _____

2. _____

3. _____

Part B. Then, from the above three new associations, what new possibilities can you see in terms of potentially new product or service categories? Also, explain the connections between Part A and Part B.

1. _____

2. _____

3. _____

Figure 1.9 Creating Associations
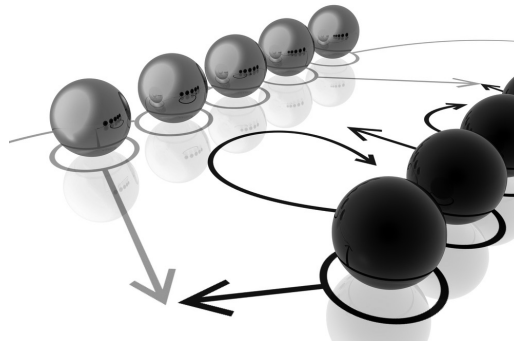
How did you do? The path of success is driven by being able to generate a steady stream of innovative approaches, culminating in one's ongoing strategy. Apple is a good example of a company that is able to do this regularly, and this capability represents a vital component to its strategy.

Figure 1.10 Being on the Path of Success

Creative thinking is about generating new ideas. Deciding which ideas would be best given market conditions and the organization's objectives and capabilities requires critical thinking, the second dimensional point of view.

Critical thinking is a cross-sectional form of differentiating. It is about asking which of the alternatives is best given our current situation. Which course of action should we pursue?

Given the identified alternatives (through creative thinking), which unique way should we differentiate in the marketplace to be competitive? As will be discussed later, the evaluation of alternatives is situationally or contextually based. It involves idiosyncratic criteria based upon the organization's objectives and what is currently known about the situation the organization confronts.

Once the chosen alternative is operationalized, it then becomes a question of how well the strategy is working. This requires **reflective thinking** (the third dimensional point of view), which is a backward-looking form of differentiating in assessing differences across several points in time. The assessment would be based upon the objective(s) established at the time the alternative was being considered. An objective has three components: (1) a benchmark, (2) a goal, and (3) a timeframe. If the employed strategy isn't working, then a new one may need to be considered—again, calling upon your creative and critical thinking.

Figure 1.11 Critical Thinking—Making a Decision
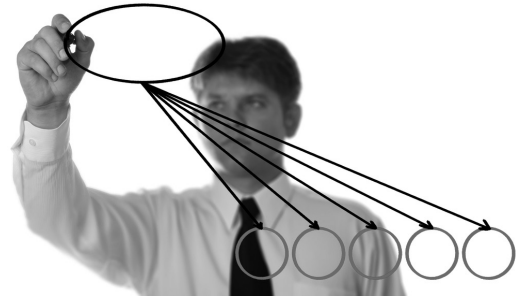
Figure 1.12 Alternative Paths
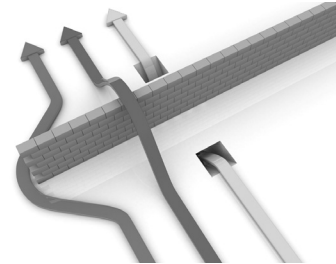
Figure 1.13 Keeping Ahead—A Step at a Time

Of the three forms of thinking, creative thinking is the most challenging because of the extension aspect—that is, moving beyond the familiar into the new. Critical thinking is an easier form of thinking in that the alternatives have been identified, and it then simply becomes a matter of choosing which is the best. Reflective thinking would be the easiest form of thinking in simply seeing how things are working based upon the objective(s) established during the critical thinking stage.
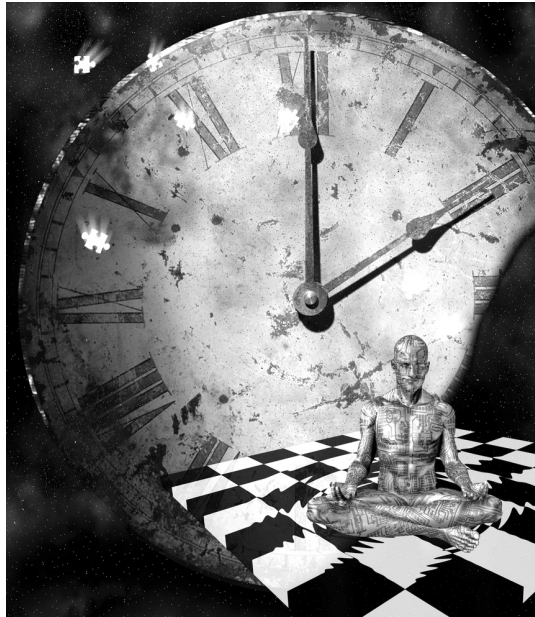
Time

The fourth dimensional point of view is **time**. While all of the forms of thinking involve an element of time, the temporal dimension is drawn out separately to emphasize the importance of **change** and *chance*. The temporal point of view asks how things will change and in which ways they might change. The elements of time, change, and chance must be considered in any strategy. They are what drive the innovators to always be on the lookout for the new. What is on the horizon that I should be aware of? Can you see the beginnings of the changes starting to take place in the marketplace? What might the unexpected look like? Are you prepared for the unexpected?

Each of the four dimensions is spherical in nature in that the questioning within each perspective or point of view can pivot in any direction. For example, within the creative thinking perspective, you can look in any direction for new associations from which to leapfrog into the new. Similarly, there are an infinite number of criteria that could be used to evaluate alternatives within the critical thinking perspective. With reflective thinking, conditions or your thinking may have changed over time to a point at which you need to consider different ways to evaluate a strategy. Even the temporal dimension, while integral to the other three dimensions, also possesses a spherical quality. While we usually think of time in a linear way through its past, present, and future incremental positions, it also has a relative characteristic in that in any given moment, each of us is experiencing time differently—that is, the relativeness in which it is moving, fast or slowly. The relative characteristic of time perceptually is a function of its change and chance elements. As one experiences or sees more change occurring than someone else, time would seem to be moving faster. Likewise, with greater degrees of unexpected change through chance, time will appear to be moving through larger increments and, hence, feel like it is speeding up. The questioning in the time dimension is not only about moving forward but also about the rate at which change is occurring and the size of the increments being felt through unexpected change.[12] The chance element can pivot in any direction, setting the stage for the unexpected. Furthermore, the chance element could even pertain to a change that is unexpectedly reverting to some previous event, creating a feeling of nostalgia and, hence, a sense of traveling back in time.

Finally, four-dimensional spherical thinking, 4-DS thinking, is an integrated view or perspective used in developing strategy. The four dimensions come together to form a particular perspective of how you'll view the situation and, further, how you'll maneuver within this situation—your way of engagement.

Figure 1.15 is meant to symbolize the fluid, intermixing, and evolving nature of 4-DS thinking in motion. Nothing stands still, so don't let your thinking become static or stale. If you do, you'll be left behind, which is a too-common occurrence in business. All you have to do is look at the rate at which organizations go out of business.

Learning to Think in a *Marketing Way*

As stated in the introduction, anyone with the ability to think and an interest in marketing can learn to think in a *marketing way* (the italics symbolize its dynamic

nature). Learning to think in a *marketing way* is really an exploration into contemporary societies with an eye to participate. The purpose of the exploration is to gain insights that can then be used to develop a strategy, a *way*, to participate by offering something meaningfully different than what is being offered by others. The *way* in which marketers conduct their exploration, thinking, is through varying their questioning to be able to see the nuances, the openings for new differences, and new ways to participate.

In an analogous way, the exploration into marketing thinking is similar to taking a road trip and getting off of the main highways and traveling the back roads, sightseeing along the way. To see (understand) the thinking behind marketing concepts and theories, we'll need to get off the highways, to slow down, to see the many forms of marketing thinking available, and there are many. Highways represent the well-traveled routes, the familiar, and the back roads represent the less-traveled roads, the unfamiliar. The exploration is about learning what you don't already know. Your route will be determined by the new questions you'll be acquiring along the way. Each form of marketing thinking involves different lines of questioning, and as you try them on, you'll experience the different forms of marketing thinking for yourself while developing your thinking agility. For each traveler (reader), there isn't a predetermined destination or route. There will be a lot of stops and starts, detours, rest stops, and unexpected events along the way—running out of gas, getting a flat tire, picking up an

Figure 1.15 4-DS Thinking in Motion

Figure 1.16 Contemporary Society

additional passenger, bad weather. What you'll be seeing will be through the questions you ask, consider, or confront along the way. The questions are your tour guides, pointing out the sights to be seen (see Figure 1.17 on page 18.).

The Role Marketing Concepts and Theories Are to *Play*

Earlier in the chapter, the question was raised about whether the concepts and theories found in marketing are the answers, and shouldn't we be learning them as the answers? This is an important issue and deserves some thought. The problem with learning concepts and theories in this way, that is, learning them as *the* answers, is that it leads to a nonthinking orientation or situation. The rote form of learning (memorizing) is based on an answers perspective and
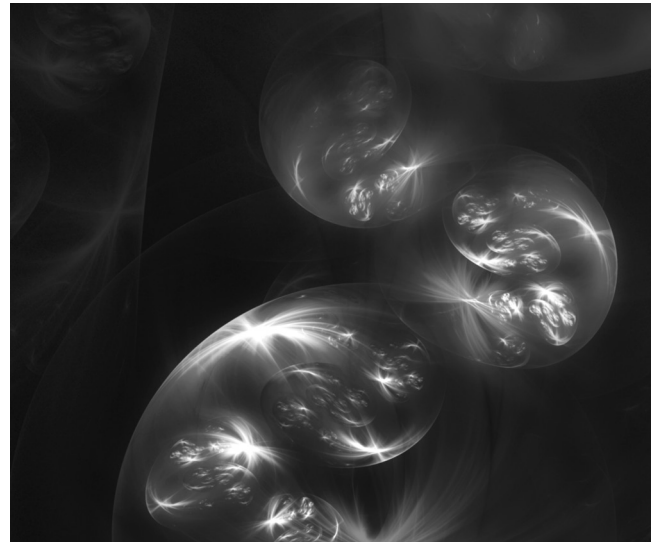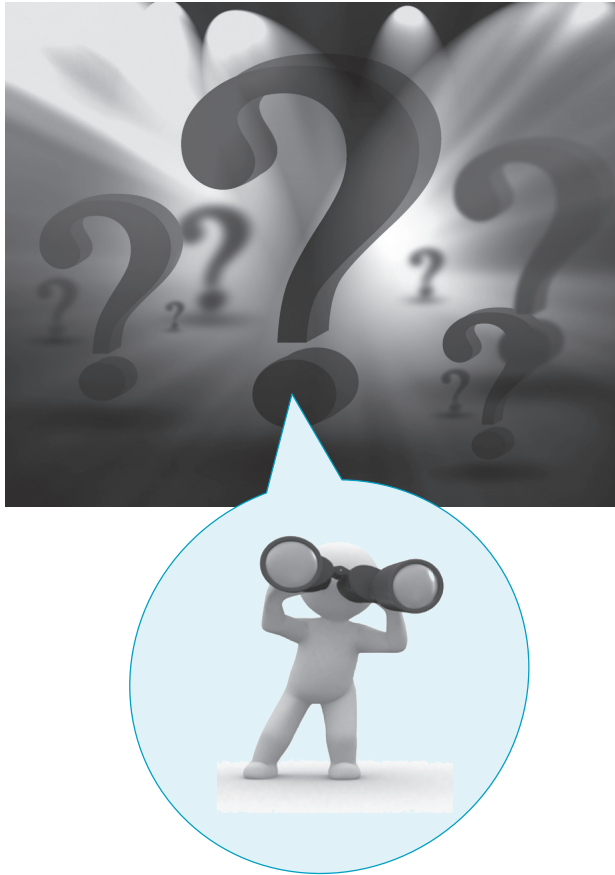
Figure 1.17 Seeing Through Your Questions

Figure 1.18 Marketing Concepts and Theories

doesn't have lasting effects. When learned in this way, things are easily forgotten. The reason for the forgetting is that we only remember things that we deem important enough to carry forward. If you don't see the significance of something, it will quickly be forgotten in time.

To understand an answer requires knowing the question it responds to—that is, the question represents the frame of reference for what the answer means. Without the frame of reference being provided, the significance of the answer is lost. What does it mean? Why is it important? How did it come about? How am I to use it? It's kind of like learning it as a thing or like being given a device of sorts—for example, a hammer—and simply using it for all repairs. At the same time, it doesn't promote utilizing and adapting the concepts and theories for varying situations—they are what they are, almost like statues or works of art to be studied from a distance. After all, they are someone else's thinking, not to be touched or played with. Right?

From a thinking perspective, if you had to guess, how might the concepts and theories found in marketing be viewed or used?

Along your marketing thinking travels, we will be experiencing the various concepts and theories by the questions they suggest. In other words, we'll be using their underlying questions as a perspective for what we might be able to see in the marketplace by way of their questions.

For example, what questioning is behind the concept of satisfaction? How might we use this line of questioning to create a strategy based upon satisfaction? We'll examine the satisfaction concept in Chapter 2.

How about considering the issues associated with all concepts in general in terms of how they affect thinking? In doing so, we are in a better position to recognize their limitations while having a keen eye for alternatives. In looking at the thinking behind the concept of a marketplace structure, we consider these concept issues in Chapter 3 and throughout the text.

In Chapter 4, we'll take up the question of who is segmenting the market (the marketer or the consumer). How you respond to this question will affect which strategies you'll consider.

Stepping back even further in Chapter 5, the question of what is really being consumed by consumers is examined to understand fundamentally that the marketplace is a marketplace of difference and to recognize the parameters of difference that all marketers confront. It also leads into a more

contemporary form of marketing thinking that involves an understanding of marketing as a form of collaboration with others.

In Chapter 6, the marketing mix concept is examined; we consider multiple mixes, raising a situational question as to their appropriateness. In contrast, within a collaborative/participatory marketing form of thinking, the *contribution* concept is considered.

Chapter 7 raises the question of where the value resides—in the product (or service) or within the practices of a brand community?

The question of how social media are affecting the nature of marketing communications is raised in Chapter 8.

Chapter 9 examines the movement across the different marketing orientations and their thinking along the lines of customer relation management (CRM) to customer interface management (CIM) to customer experience management (CEM) and how technology is influencing these changes.

The contrast between the concepts of a value chain and value nets is considered in Chapter 10.

The question of price and the various pricing strategies are examined in Chapter 11.

The emerging perspective of forward-looking metrics is contrasted with the traditional rear-view metrics in Chapter 12.

And, finally, we examine what a thinking organization looks like, its characteristics, and organizational obstacles to thinking.

Returning to the questioning of the role of concepts and theories, each represents an answer to a line of questioning and, hence, is to be viewed as an outcome of its respective line of questioning. We will uncover (or dust off) the lines of questioning associated with marketing concepts and theories to use for our strategic purposes and will utilize and adapt them as needed. This will be explored in greater detail in Chapter 2 to facilitate your thinking on how to use the concepts and theories found in marketing based upon their intended use. Along the way, you'll hopefully acquire a deeper level and wider range of marketing questions, leading the *way* to your *marketing thinking*.

Marketing Thinking Challenge 1.4: Marketing Thinking—A Beginning

Choose a market in which you have an interest. Identify three different brands within the chosen market and the ways in which they are marketed (e.g., advertising, promotions, where they are available). All marketing in one way or another is soliciting our attention. Understanding what it is presenting to us requires us to question it. What is it? What does it mean to me? From the consumer's perspective and based upon how the brands are being marketed, what questions are they attempting to elicit from their consumers? How are the brands differing in the questions being elicited from the consumers? Based upon the differences in questioning across the brands, how might this affect their consumption experiences?

Figure 1.19 Shopping
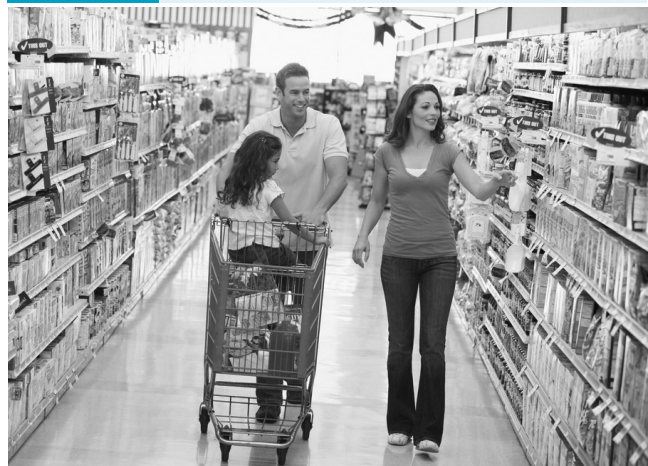
Summary

- In this chapter, marketing thinking was initially defined as a type of questioning that pertains to issues of how to compete through providing value as interpreted by some targeted market or group of consumers.
- Strategy was defined as a *way* of being different in the marketplace for the purpose of obtaining particular marketing objectives.
- A marketer's perspective of the marketplace and/or competition is a function of the 4-dimensional (spherical) way of thinking.
- The four dimensions are creative, critical, reflective, and temporal. Each represents a different form or direction of questioning, and they come together to form a particular perspective at a point in time based upon the outcomes of the questioning engaged in by the marketer.
- Creative thinking was described as the form of thinking that represents the future for an organization, and while being a more difficult form of thinking as compared to the other dimensions, it is viewed as being perhaps the most important dimension, leading to new innovations.
- It was also discussed that it is more beneficial to understand concepts, theories, or perspectives from the questions by which they were generated than to simply learn them in a rote way. It is in the questions, the thinking behind the concepts, that their utility lies in terms of being applicable to effective marketing strategy.

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CHAPTER 2

Learning to Think in a Marketing *Way*

Decompression Exercise

Before getting started, pause for a moment and allow your mind to take a vacation. Where did you go?

Figure 2.1 Relaxing

Chapter Introduction

In Chapter 1, marketing thinking was explained along with its four integral, spherical dimensions (creative, critical, reflective, and temporal)—that is, 4-DS marketing thinking. Each of these dimensions represents a different form (or line) of questioning. Separately and when combined, they culminate in a particular perspective on a situation. Strategy as a *way* for an organization to be meaningfully different in a marketplace is a product of the marketer's 4-DS thinking. The more skilled the marketer is in questioning along the four dimensions, the greater the potential for better strategies. Within this skill is an openness toward challenging existing ways of thinking and a willingness to allow other perspectives to come into view and to change if an alternative is seen as being better. Openness and adaptiveness are characteristics of thinking agility.

This openness is also characterized by that which is less known. For example, being a strategic thinker involves being a visionary, thinking of a future that is different than the present. Within this thinking is a tension as described by a quote in an article titled "How to Think Like Steve Jobs":

> The visionary is a pattern hunter. And as the patterns begin to take shape, the visionary paces the hall anxiously, staring out the window. The cognitive dissonance builds between what is and what will be.[1]

The openness described above allows this tension, this cognitive dissonance or psychological discomfort. It is through this process of moving away from the familiar to the less familiar, looking for the new patterns that aren't readily apparent, that characterizes the visionary—the strategic thinker. The complacency associated with the familiar has to be overcome to see the new patterns. Being new, new patterns may at first appear odd, and as we'll see in this chapter, the familiar is only one of many obstacles that the thinker will have to deal with. Similar to running a gantlet of obstacles, the obstacles will need to be confronted and overcome for thinking to occur. The following are examples:

> Indeed, this is the secret of visionary ideas: Most earthshaking ideas look funny at first. They are not sensible. Think of the jokes that have been pulled: Jobs introducing the iMac—without a floppy disk! Branson, with no experience in it, starting an international airline. Disney (*DIS, Fortune 500*), at the depth of the Great Depression, proposing a full-length feature cartoon. "You have to have confidence in nonsense," says airplane designer Burt Rutan, whose aircraft have circled the globe on a single tank of gas, and have climbed to the edge of space as well.[2]

To think of a strategy other than as an answer to the marketer's question of how to proceed in the marketplace may seem odd as well. Traditionally, a strategy has been thought of as the answer. "This is the way we will be doing things. Our plan has been formalized and all we need to do is operationalize it." Yet this view of strategy possesses a static characteristic that reinstills the compliancy described above. The less counterintuitive view is to instead think of strategy as a question that is open and adaptive to a dynamic marketplace. As discussed in Chapter 1, it was important for the marketer to maintain an agile posture in terms of his or her thinking, and fixed (static) forms of thinking were counter to a constantly changing, dynamic marketplace. To have a fixed strategy is grounded in a fixed form of thinking. To free up this fixed thinking, a *thinking strategy* is called for that involves thinking of strategy as a question. As we'll see, viewing strategy as a question is a means of acquiring an agility thinking posture.

But what would strategy look like as a question? Later in the chapter, we will consider this question by reversing the thinking about strategy—not as an answer but instead as a question—and see the advantages in doing so.

To get started, and taking the lead from Chapter 1, we will utilize marketing concepts and theories by looking for their underlying questions—that is, the questions that may have generated them and other related ones. It is within the questions that the nuances for strategy lie and create visionary opportunities in the ability to see and create new patterns. To do this, we will look at marketing thinking through an understanding of the process of appropriation using the concept of satisfaction. Afterward, we'll examine the question of strategy not as an answer but as a question, and finally, we will discuss in general the obstacles that interfere with thinking.

The Process of Appropriation

Appropriation here refers to the process of empowering the reader, the student, the marketer, and/or the strategists with the authority or license to adopt and use any idea, concept, and/or theory in a manner that is beneficial to them. This means that you can use them in part or in full, in any combination or way, and modify them as you see fit. Throughout this book, examples will be used to illustrate how to adapt and apply marketing concepts for developing situations. It is through this process of appropriation that concepts and theories come to life and become useful in an applied context.

Figure 2.2	Thinking

Through the process of appropriation, this prejudice toward answers is challenged and is shown as a blind spot in our thinking that needs to be recognized, corrected, and reversed. Lines of questioning, our questions, are our ways to see and navigate through a changing landscape. Without them, we would simply be responding to our environment, similarly to a single-celled organism, and not be able to effect change. For the innovators mentioned in Chapter 1, the keys for their success were the questions they were asking that challenged the accepted views—that is, the accepted answers of the day. Answers have a limited shelf life and need to be thought of in that way. How old are your answers? What is the expiration date on the answers you are using? When did they expire? Isn't it time to look for some new ones?

As discussed in Chapter 1, every concept and theory, whether from marketing or any other discipline, stems from a line of questioning and is a result of that line of questioning. Typically, through the presentation of a concept or a theory, the line of questioning isn't given front stage in its description or explanation. This has to do with a long prejudicial tradition in favor of answers over questions. After all, aren't we are in search of answers and not the questions?

Appropriation is a hands-on perspective to use any and all available conceptual ideas toward developing more effective strategy. It is okay to refashion existing concepts into new ones to serve different purposes. This is actually a natural process to be found associated

with all words and concepts. Simply look in a dictionary of etymology, which provides the origin and chronology of words in terms of their changes in meanings or senses over time.

Any concept could be appropriated for the purposes at hand. Examples of typical consumer concepts that might be of interest to the marketer would include (dis)satisfaction, attitudes, values, lifestyles, involvement, memory, and so on. Each of these could be appropriated for the purposes of developing strategy. As an example, the concept of satisfaction will be used to illustrate the thinking involved in the appropriation process and how a strategy based upon the concept of satisfaction could be developed.

Appropriating the Concept of Satisfaction for Strategy Purposes

A series of coinfluences have driven the interest toward customer satisfaction. For example, the transition in capitalism from the 1930s to the present day is one of the influences. During the 1930s, there was a shift to *managerial capitalism* with a division between the management of an organization and its ownership. Then, in the 1970s, it shifted to *shareholder's value capitalism*. This was driven by the belief of owners that they weren't getting their full rate of return from the professional managers, who had their own interests.[3] However, businesses actually had a higher rate of return during the earlier managerial capitalism period than when pursuing shareholder's value capitalism.[4] The flaw in shareholder's value maximization lies in the cyclical nature of the future performance of organizations, realization of limits (e.g., growth), and the inherent short-term view of such pursuits in which the value of an organization can be temporarily pushed up but will eventually fall again, and so on. This has led to the shift toward *customer satisfaction capitalism*. Pursuing customer satisfaction not only affords an organization the opportunity to be more competitive in the marketplace but also possesses a longer-term view and can lead to a more sustainable valuation of shareholders' wealth. It also seems to accommodate the competing interests found with the earlier forms of capitalism—increasing the value for the customer leads to an increase in value for the organization and its owners, creating a win-win situation for all.

Parallel to the above transition, marketers' adoption of the concept of satisfaction occurred after going through an evolution of thought of their own, learning from the different orientations they had tried in conducting business. The different orientations or stages included a production orientation (emphasizing manufacturing and efficiencies); a sales orientation (a focus on selling as much product as possible regardless of consumer interests); a market orientation (engaging in marketing research, segmentation, positioning, and targeting for the purposes of effectiveness); and, today, a personal marketing orientation (emphasis on marketing to individuals versus segments through technology based upon customer relationship management—CRM).[5] It was with the later market orientations that satisfaction became a hallmark for strategy. As we will see in the later chapters, this evolution in marketing thought continues with the influences of technology and the Internet, where more contemporary marketing is starting to focus on what can be described as co-marketing (collaborative or participatory marketing). The beginnings of this form of thinking are developed through Chapters 3 through 5, and co-marketing is discussed in Chapter 6 and throughout the remaining chapters.

The above transition across the different orientations represents the ongoing appropriation process occurring in marketing, adopting new concepts and perspectives along the way, affecting marketing's direction and the way in which it is to be practiced. The things of the past were discarded for new ways and approaches through the acquisition of different beliefs

about what works and what doesn't along with changing conditions as with new technology and so on. Through this process, marketers learned that the consumer played an important role to their success and, hence, customer satisfaction took up its pivotal position of interest.[6] Many marketing strategies are directed toward achieving customer satisfaction. One such logic is that with satisfaction comes a better position from which to compete. If satisfaction leads to customer loyalty, it could provide the organization with a more fortified, defendable position within the marketplace—hence, the interest in customer satisfaction.

> Customers have higher expectations, and more buying power than ever. They have more options as well. Therefore, companies striving to be the best have made customer satisfaction and retention the cornerstone of their business strategy. To achieve *business success,* the *best companies* add to this cornerstone product innovation and quality, and a productive and responsive group of employees who are encouraged to *focus on customer service* in a vibrant corporate culture.
>
> With radical, comprehensive, and pervasive changes in technologies and markets have come changes in the way salespeople achieve *customer satisfaction.* The days of "hit-and-run" selling are over. Salespeople must now act as account managers who are responsible for the ongoing quality of the company's relationships with customers.[7]

The significance of satisfaction is further highlighted by the various annual satisfaction reports rating companies. For example, Forbes reported in 2008 the following:

> Industries generally scoring well [on customer satisfaction] were online retail (83 out of 100), led by Amazon.com (nasdaq: AMZN - news - people), and autos (82), thanks to a strong score from Toyota's (nyse: TM - news - people) Lexus division and a 3.9% improvement by Ford. Laggards include airlines (63), dragged down by big drops from United and Delta, and cellphone service (68), where Sprint-Nextel (nyse: S - news - people) saw its score drop more than 3% and AT&T (nyse: T - news - people) remained weak despite an improvement over 2006.
>
> Retail stores came in very close to their year-earlier levels, as a big improvement at Macy's (nyse: M - news - people) was offset by falling scores at Wal-Mart and Best Buy (nyse: BBY - news - people). By tumbling 5.6%, Wal-Mart hit its lowest customer satisfaction rating since the ACSI began its survey in 1994.
>
> Indeed, the solid fourth-quarter profit that Wal-Mart reported on Tuesday was driven by growth in its international business. Same-store sales edged up just 0.5% from last year, not a sign that customers are breaking the door down. Meanwhile, Home Depot, which recently made a strategic decision to replace knowledgeable store workers with clerks, suffered a 4.3% drop in its satisfaction rating to its lowest score since 2001.[8]

The above illustrates a kind of scorecard approach to how businesses are doing based upon changing consumer levels of (dis)satisfaction. The American Customer Satisfaction Index (ACSI) organization provides a "national index updated quarterly, factoring in ACSI scores from more than 225 companies in 47 industries and over 130 government agencies, departments, and websites."[9] As an example from the ACSI website, on a scale of 0 to 100, where 100 is the best possible ACSI score, Apple has been relatively consistent with its ratings—79 (2007), 85 (2008), 84 (2009), and 86 (2010). The average for other computer organizations was a 77 ACSI. With satisfaction being at the forefront for many organizations, what is the basis for a satisfaction strategy and how is one determined? This is where the appropriation process can be utilized.

The appropriation process can be thought of as kind of processor or mixer that takes what is at hand and, through the processing of mixing, produces something else. See Figure 2.3. The purpose of the appropriation process is to be able to see and consider things through your questioning that you might not have otherwise. The process is relatively straightforward. It involves three steps. The first step is to identify the main question the concept responds to. A concept is presented as a thing that is an answer to something. What is the question for which the concept is an answer? The second step is to identify other relevant questions. This is done to expand the scope outward to see other related aspects that might be important. The third step, with the interrelated questions at hand, is to ask what are the different ways in which you might respond to them given your situation? The second and third steps involve three of the 4-DS dimensions to various degrees—that is, the creative, the critical, and the temporal dimensions. Choosing the responses that will represent your strategy involves critical thinking.

According to the Appropriation Processor (Mixer) in Figure 2.3, the process starts by asking what something is responding to or what question(s) it stems from. This brings the frame of reference into view for what the concepts pertains to. Questions and answers go hand in hand. Understanding one requires knowing the other. What question does the satisfaction concept answer to? As with all conceptual ideas or concepts, they change over time through the natural process of appropriation, in which individuals adopt them for other purposes. Satisfaction is no exception to this, either.

**Figure 2.3**   The Appropriation Processor (Mixer)
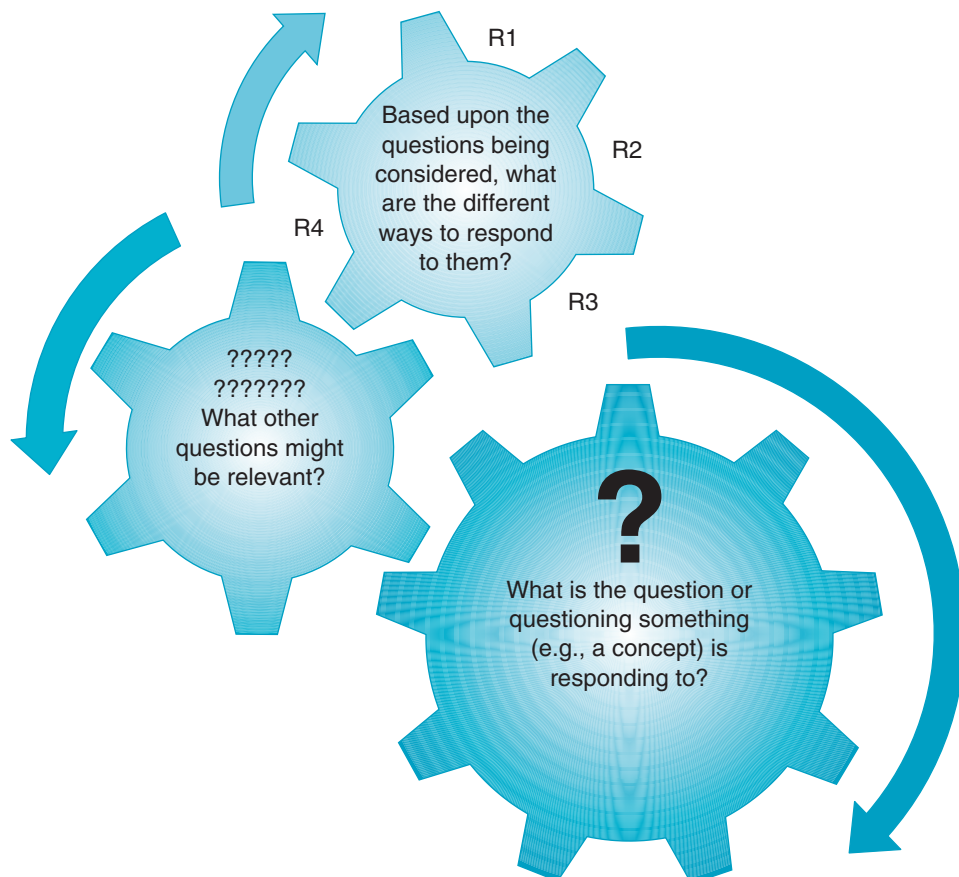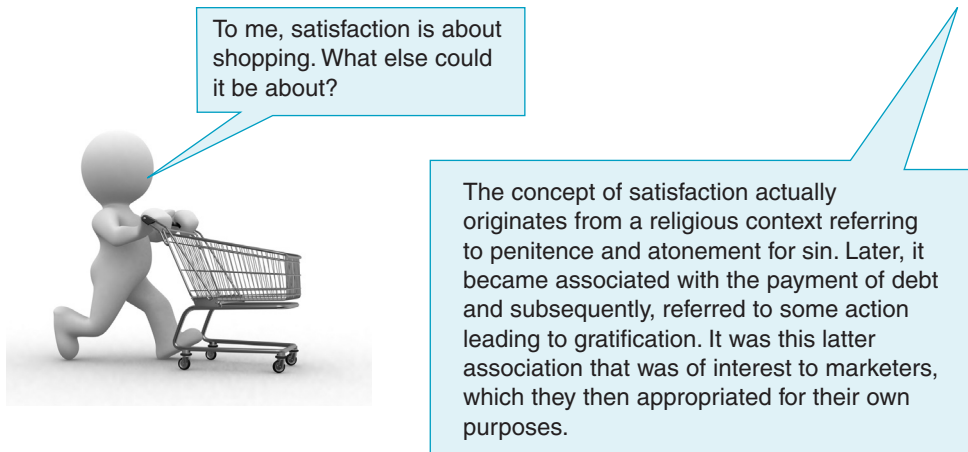
From the above brief overview of the concept of satisfaction, we can now take up the original appropriation question of satisfaction—*What question does the satisfaction concept respond to in a marketing context?*

Based upon a gratification understanding of satisfaction, it seems to involve the marketer asking, What does the consumer want? With this in mind, an answer can be provided. In other words, *it is a question of fulfillment.*

According to the Appropriation Processor (Mixer) in Figure 2.3, the second step of the process asks what other questions might be relevant.
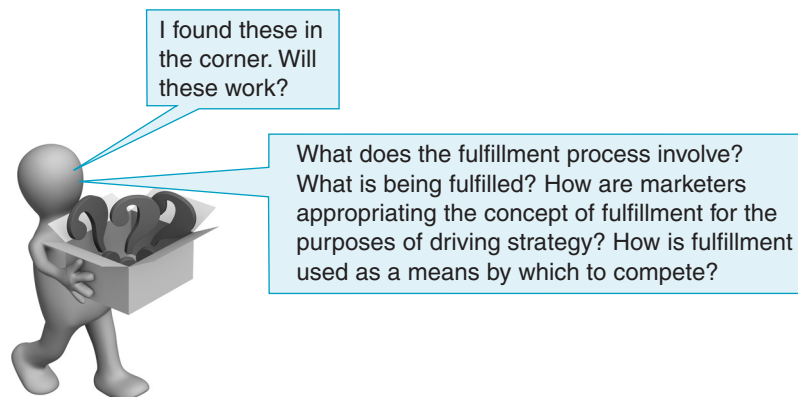
The basic premise is that the more satisfied (fulfilled) customers are, the better it is for the organization, providing for a more defendable position in the marketplace from which to compete. In this sense, a marketing strategy is a question of whether what is to be offered will fulfill the requirements of the customers. As such, a strategy based upon satisfaction is a question of fulfillment. What is to be fulfilled? How is it to be fulfilled? And what are the possible degrees of fulfillment? It is at this stage that we need some assistance to get a better handle on what is involved with the issue of consumer fulfillment. Here, we'll need to bring into our discussion one of the theories on satisfaction to guide our questioning of our appropriation process.

According to the Expectancy Disconfirmation Model of Satisfaction,[10] [11] satisfaction is an evaluation done by consumers of whether their expectations are being met and to what positive or negative extent. See Figure 2.4. Consumer requirements are based upon their

expectations going into a situation. In other words, consumers use their expectations as a means for interpreting the experience that is to take place. Expectations become the consumer's frame of reference for the (dis)satisfaction interpretation.

Hence, fulfillment is driven by the consumers' expectations *acquired prior* to the consumption experience and used *subsequently, to judge* the experience. This suggests that satisfaction as a process actually plays out over a period of time.

With expectations being so important, what is an expectation? An *expectation* is an anticipating or looking forward to some coming or occurrence of something.[12] Understanding satisfaction and its fulfillment interpretation is understanding the significant role expectations play in this process and, as such, represents a vital area of consideration for the marketer in his or her strategy development. Expectations can come in many different forms. For example, expectations could pertain to product performance, service quality, aesthetics, overall experience, and so on.

Figure 2.4	Expectancy Disconfirmation Model of Satisfaction
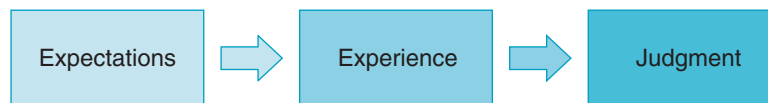
From step one of our appropriation process, the main satisfaction question for the marketer is:

What consumer expectations are we going to try to fulfill?

With this main question in view, we can proceed now by being even more specific as to the second step of the appropriation process: identifying related questions. Some examples are provided in the following box. This is meant to fan out our strategic view via our questioning, to consider related things but also to do so at perhaps a deeper level of understanding.

Related possible questions:

1. What are consumers' expectations with similar products or services?
2. How can your strategy affect a different set of expectations and/or experiences than what is currently available?
3. How are you doing in terms of consumer expectations (the drivers of satisfaction)?
   a. Where do you need to improve?
4. What are the different ways in which you could configure your marketing activities (strategy) to affect consumers' expectations and experiences?
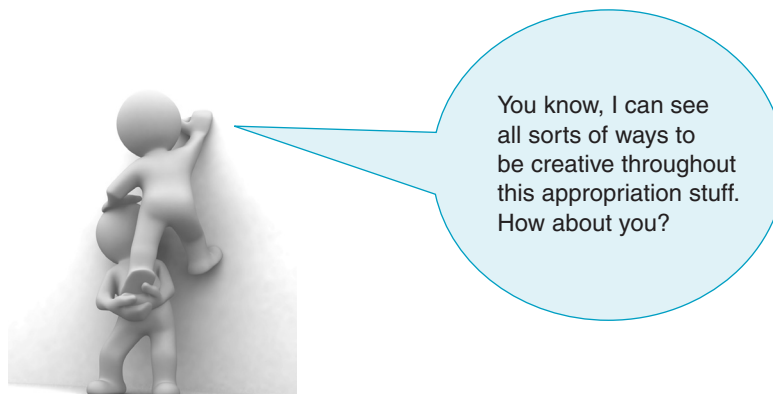
Following the Appropriation Processor (Mixer) in Figure 2.3, the third step of the process asks, "Based upon the questions identified and being considered, what are the different ways to respond to them?" The line of questioning associated with satisfaction suggests a number of questions that a marketer could use or respond to in strategy development. Figure 2.5 illustrates the multidimensional considerations involved in creating a satisfaction strategy.

Figure 2.5   Identifying Satisfaction Strategies Through Appropriation

The *Way* to Satisfaction

Expectations → Experience → Judgment

How can your marketing (e.g., communications) affect consumer expectations?

Based upon consumer expectations, how is what you are offering going to affect their experience(s)? Will it meet or exceed their expectations?

How can your postconsumption marketing (e.g., communications) affect consumer evaluations and word of mouth?

YOUR *responses* to the above questions represent your STRATEGY *(WAY)* of attempting to achieve a position of satisfaction in the marketplace.

The underlying line of questioning suggested through the satisfaction concept concerns creating a situation of fulfillment in terms of consumer expectations. The questioning, the thinking, is driven in the direction of creating and achieving certain consumer expectations differently than what others in the marketplace are offering. A satisfaction strategy is a strategy motivated by consumers' expectations within the marketplace context.

Within this line of questioning, 4-DS thinking is employed. Creative thinking is used to develop different types of expectations and ways to associate them with the consumer experience through marketing (e.g., marketing communications). Critical thinking is then needed to decide which are to be pursued and orchestrated through one's strategy. Once the strategy is employed, then reflective thinking is called for to see if things are materializing as anticipated. At the same time, we are also talking about facilitating change in time while anticipating the element of chance that things may take place in unexpected ways.

Limitations With the Satisfaction Concept

One of the difficulties with a satisfaction strategy is that the consumption itself affects later expectations and subsequent satisfaction interpretations. If someone has an outstanding experience at a restaurant, the next time she goes back to the restaurant, her expectations have been elevated, and if the experience is simply similar to the previous one, the judgment of experience won't be as great, and, hence, the satisfaction interpretation will be less. Here, the marketer is in the position of always trying to exceed prior experiences in one form or another to stay on the consumer's constantly moving expectations treadmill. This also raises another problem with satisfaction. Measuring customer satisfaction is what can be described as a lagging indicator and not a leading one. In other words, it is similar to looking in the rear-view mirror to see where you have been or how you have done. But you can't drive forward by looking in the rear-view mirror. A different perspective is needed to have a forward-view or forward-thinking strategy. One approach is described in the following quote:

> Here's an unlikely suggestion from a customer strategist: Forget customer satisfaction. It's not a differentiator; it's table stakes for any company worth its salt. What's more, it's a lagging indicator, not a leading one. You can't build a forward-thinking strategy based on historical data like customer satisfaction. Instead, companies need to take satisfaction to the next level to create customer advocates. At the end of the day, improving advocacy leads to higher financial returns than improving customer satisfaction.
>
> …Advocacy is different than loyalty or satisfaction. It is a business strategy that places customers' interests ahead of the company's. It is built upon trust, and trust is an enduring competitive advantage that pays dividends today and long into the future. And, trust has become increasingly important as companies are losing control of the brand message to customers who can reach the masses in an anonymous, everlasting way. Advocacy, built on trust, is one of the single most powerful factors in influencing a customer's buying behavior.
>
> …Advocates are satisfied and loyal, but the opposite is not necessarily true. Companies need to determine the drivers of advocacy versus customer satisfaction.[13]

These issues are examined further in later chapters—for example, in Chapter 8, social media strategies are discussed pertaining to creating advocates, and the differences between rear-view and forward-looking metrics are discussed in Chapter 12. What the above quote points out is that all concepts have their limitations. Satisfaction is no different. From a thinking perspective, it's

important to be aware of these limitations, to have an eye for other possibilities, which is consistent with a thinking agility perspective—to be open and poised to adapt as called for.

As part of the marketing thinking discussion in Chapter 1, 4-DS thinking characterizes the dimensions involved in the questioning of marketing thinking. The following examples illustrate how two companies, Muji and Sleep Squad, are engaging in their marketing thinking, appropriating the satisfaction concept to develop their strategies.

Marketing Thinking in Practice: Shifting Times—The Muji Experience

Muji, a Japanese company, is recognized as one of the largest retail brands in the world. "The Muji vision is not to be a brand. It is the no-brand. ...The philosophy of Muji is to deliver functional products that strive not to be the best, but 'enough.' Enough does not mean compromise and resignation but a feeling of satisfaction knowing that the product will deliver what is needed but no more."[14] Go to www.muji.us to read more about their philosophy and see images of their store layout and product line. The strategy is based upon a changing global economy in which consumers worldwide have been struggling through recessionary times. Here, the temporal dimension of the 4-DS thinking comes into view—that is, thinking in terms of change and the element of chance. For those experiencing the brunt of such financial difficulties, how do you think their focus has been shifting? What would be their concerns, and how would such concerns be translated into possible changes in expectations and consumption?

During financial difficulties, consumers naturally reassess their situations by asking themselves, What is really important? How can I stretch what money I have? With larger numbers of consumers worldwide finding themselves in such a situation, asking similar questions, the Muji philosophy had come into its time when a large number of consumers were interested in returning to the basics and were less interested in the superficiality associated with name brands as well as the costs that go with such consumption. The costs included paying more, financial debt, a self-concept driven by marketing images, and environmental concerns. For these consumers, expectations had changed along the lines that they wanted products that were functional, involved less marketing, and allowed them to return to a simpler life. Observing such changes, the Muji organization was in the position to ask, How do we market our business without it appearing that we are marketing?

How do you appear not to be doing marketing?

I'll just close my eyes and maybe they won't notice that I'm doing marketing. Will that work?

(Continued)

(Continued)

After all, there has to be some form of marketing involved or no one would know that you are there. The question actually is more straightforward than it may appear. It is simply a question of how to differentiate in a marketplace in which, in general, everyone else is engaged in heavy-handed marketing tactics and promoting excesses. It is a question of contrast.

To create the contrast, the Muji strategy involves appropriating the concept of satisfaction by shifting toward changing consumer expectations—that is, to be in the position to fulfill these consumers' changing expectations better than others. Muji customers' satisfaction stems from feelings (expectations) of doing what is right through consumption that involves "simplicity, moderation, humility, and self-restraint." It is about focusing on the more important things in life than consumption as portrayed through modern marketing. Drawing upon their creative and critical thinking, two dimensions of 4-DS thinking, they came up with store layouts consistent with this theme: plain, relaxing, no labels or brands, and offering functional products at low prices. There is marketing involved in their store layouts, as can be seen from their website, but it is purposely de-emphasized as a marketing strategy—that is, the marketing of less marketing. Their strategy creates value for these consumers through the changing satisfaction landscape, and in the process, Muji has established a satisfaction position in the marketplace from which to compete.

Marketing Thinking in Practice: Taking the Sleeping Business to a New Level—Sleep Squad Comes to You

Michael Cote, while working at T-Mobile running their B2B sales, was able to see the profitability in pursuing customer satisfaction. Based upon his experience, he decided to test the satisfaction to profitability theory to a new level by finding an industry associated with very high customer dissatisfaction and seeing if he could start a company that would turn the experience around while leading to profitability.[15] He started this experiment by asking, What industries have the worst customer experiences?

Figure 2.6 A Mattress Is Not Just a Mattress

Using a list from the University of Michigan on people's worst customer purchase experience, he found purchasing mattresses to be near the top, below purchasing a used car.

In this case, Mr. Cote is appropriating the satisfaction concept by way of starting with a highly dissatisfying consumer situation and then asking, What is it that needs to be fixed in the mattress industry? "Based upon focus groups people hated lying on a mattress in public (men especially hated that); People hated that they couldn't effectively buy online; And people hated this sea of white. You walk into a mattress store and there's thirty-some mattresses, and it's overwhelming."[16] They also found that consumers would typically spend a day looking for a mattress, and they would have to wait for it to be delivered. With this information at hand, he started to brainstorm (creative thinking) what were the different ways to eliminate these issues from the mattress-purchasing experience to create a satisfying situation. Among his options, he decided that with the Internet and bringing the experience to the consumer, these issues could be avoided (critical thinking). Hence, a new business idea was realized and launched the Sleep Squad, which "reconfigures brick-and-mortar retail into a steel-and-rubber showroom."

The website allowed consumers to have access to more choices (150 vs. 30), and through the aid of online questions and customer service, the choice could be reduced to three or four in the convenience of the customer's home. Then, a no-obligation appointment can be scheduled within an hour. Sleep Squad offered free delivery, setup, and removal. A truck comes with the three or four options. It is set up like a showroom in which the consumer can actually try the mattresses privately. After introducing the mattresses to the consumer, the salesperson leaves until he or she is asked to come back. If a decision is made to purchase, the salesperson performs the setup for the customer and removes the old mattresses. The sales staff receives bonuses based upon ratings of customer satisfaction regardless of whether a sale is made. The online reviews have been very positive for the Sleep Squad experience.[17] Customers have commented about how quick and easy it is. Mr. Cote continues to monitor customer feedback, adjusting the business model as needed (reflective thinking and thinking in time).

Mr. Cote's approach illustrates 4-DS thinking through his appropriation of the satisfaction concept to develop a business strategy to maneuver within an established industry. He used the concept to find a market that was open or would be responsive to a different form of business. In the process, Sleep Squad created a position in the marketplace based upon satisfaction that has led to profitability.

To see if you understand the appropriation process previously discussed, try the following appropriation challenges.

Marketing Thinking Challenge 2.1:
Appropriating Satisfaction in a Consumer Situation

Find an industry other than the ones mentioned previously that is noted for consumer dissatisfaction. Using the concept of satisfaction, identify consumer expectations that aren't being met. Then, based upon the expectations that you have identified, how could you configure a business that would operate differently? Would it involve different expectations? How would the consumer experience be different based upon what you'd be offering?

Figure 2.7 A Consumer Situation

Marketing Thinking Challenge 2.2: Appropriating Satisfaction in a B2B Situation

Find a business-to-business (B2B) situation that is noted for dissatisfaction. Using the concept of satisfaction, identify the business customer's expectations that aren't being met. Then, based upon the expectations that you have identified, how could you configure a business that would operate differently? Would it involve different expectations? How would the business customer experience be different based upon what you'd be offering?

Figure 2.8 A Business-to-Business Situation

Marketing Thinking Challenge 2.3: Appropriating Concepts

Figure 2.9 Thinking About the Question(s) Behind the Concept

Take any concept you are familiar with from work or school and identify what you believe is the question it responds to. (1) What is the question for the concept? (2) Based upon what you identified as the question in part 1, what other related questions can you identify? And (3) What are some of the different ways in which you could respond to these questions?

Suggestion: Start by formally defining the concept. What theoretical explanations exists that could be used as your basis for understanding the concept at a deeper level? You'll find it easier to do the challenge if you start off in this way.

Strategy as a Question

As stated in Chapter 1, strategy is an organization's way of attempting to be different in a marketplace of difference. There are many different factors involved that play a role in affecting the outcome of one's strategy. The dynamics of the marketplace represent the challenge any strategy must work through to achieve its objectives. It is analogous to a chess game, in which your strategy needs to be flexible and adaptable to accommodate the different moves being played out by others in the marketplace. The dynamics of the marketplace stem from its constituents, each with its own varying interests and desires to have the marketplace play out in a certain way. In other words, you are not alone.

| Figure 2.10 | Thinking About the Different Moves |

Developing strategy through 4-DS thinking is based upon a series of lines of questioning that culminate in your perspective of the situation and the ways you'll consider maneuvering through the dynamic marketplace landscape. With a dynamic marketplace, we'll need a strategy that is equally dynamic. Instead of thinking of strategy as an answer, we'll view it as a question. This will set up the thinking to be more aligned with the nature of the marketplace.

Okay. I understand that. Strategy comes from our questioning or this 4-DS thinking stuff. But why should we think of strategy as a question? Isn't it our answer to our questioning as to how we will be different in the marketplace?

Those are good questions that deserve our attention. Here, we'll need to look at how the different perspectives affect the nature of strategy. They represent important differences.
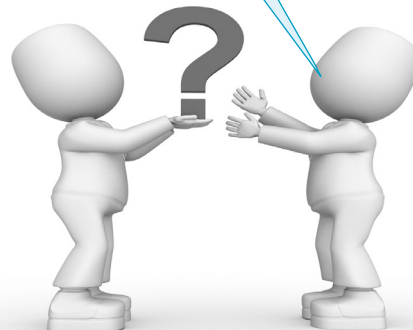
Figure 2.11	Thinking Stochastically

Strategy developed through 4-DS thinking is based upon an understanding that while we have *momentarily* come up with a way to participate in the marketplace, it is ultimately speculative as to whether it will work in the foreseen way. As such, by thinking of strategy as a question, we will be more agile, open, and responsive to the changes to occur through the interactions comprising the marketplace. In contrast, if we thought of our strategy as our answer to the marketplace, in essence, we would be taking a more fixed, closed-off, reactive posture, opening up the doors for others to lead through the ongoing changes taking place. Closure is associated with answers, but the marketplace is always open—open for business, open to change—and, hence, strategy must remain open as well. *A strategy should be thought of as a question, open to the will of the marketplace.*

Furthermore, whenever the marketer decides to place something in the marketplace, the marketer is soliciting some response. The act of soliciting involves an asking; it is a question to which a response is being requested. If a response manifests, many different forms are possible. Hence, the outcome of one's strategy is stochastically and not deterministically based.[18, 19] Strategy should be open-ended responding to consumers.

Responsiveness can also be thought of as an element of one's strategy operationalized through an organization's activities, processes, and structure. For example, Procter & Gamble provides data analysis to its retail customers to help it improve its responsiveness and costs.[20] Responsiveness as a focus for strategy will be discussed in a later chapter.

As discussed in Chapter 1, marketing thinking involves a type of questioning that is directed toward how to provide value (creating choice) as defined by a particular group of consumers or those being targeted (pursued). It is within this realm of consumer choices to be made that strategy operates, which continuously *plays* out over time. Strategy as a question also means that it is not a finished work but is a work in *progress* for this duration. It only becomes complete, finished, once it is removed from the marketplace. It is at this point that strategy can be thought of as an answer, but an answer to events that already took place.

To become more skilled at marketing thinking and thinking agility in general, it is important to recognize that thinking has its own difficulties that need to be overcome. These difficulties can be described as obstacles to thinking. We'll examine these next.

Obstacles to Marketing Thinking

Marketing thinking, as with any other form of thinking, requires effort. The notion of effort brings to the forefront the issue that if effort is required, then there must be obstacles that are hindering or interfering with the thinking phenomenon. At the same time, if these obstacles can be identified, then we might be able to do something about them to enhance our thinking. To start, try the following exercise.

Marketing Thinking Challenge 2.4: Obstacles to Thinking

How many thinking obstacles can you identify? What are the things that you find interfering with your thinking? List them below.

Figure 2.12   An Obstacle

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

Figure 2.13 Running Into an Obstacle

How did you do on the previous exercise? How many obstacles did you identify? If you couldn't think of any, that in itself suggests that you must have run into an obstacle.

To avoid obstacles first requires recognizing them and then taking some action to maneuver around them. Anything that could potentially hinder or interfere with your thinking can be thought of as an obstacle. Presented below are psychological and physiological examples of the typical obstacles affecting thinking.[21] Strategies for working around them are discussed as well.

Table 2.1 Obstacles to Thinking

The Familar	Questioning	Physiological
• Knowledge	• Starting Point	• Dehydration
• Routines	• Direction (Perspective)	• Hunger
• Heuristics	• Scope	• Overeating
• Analogies	• Sequence	• Fatigue
○ Anchoring Effect	• Time Spent	• Stress
○ Confirmation Bias		• Information Overload
• Norms		• Sickness
○ Groupthink		• Depression
• Rules		
• Practices		
• Culture		
• The Past		

The Familiar Thinking Obstacles

Why would the familiar and its many forms be an obstacle? The familiar is a result of previous questioning, but with the familiar, the questioning has stopped. Thinking and questioning go hand in hand. Thinking requires questioning, and effort is required to engage in the task of questioning. When the questioning stops, so does thinking. What makes the familiar such a significant issue for thinking is that we have the tendency to gravitate toward the familiar—that is, it is something we are drawn toward, and the reason for this tendency is primarily because it requires less effort and alleviates the need for thinking.

| Figure 2.14 | When the Questioning Stops, So Does the Thinking |

The familiar shows up in many forms. For example, the accepted views within an organization are the familiar. The fact that they are accepted infers that they are *not* to be contested (questioned) and, hence, an obstacle has been erected. The accepted views come in many different forms, including knowledge, routines, heuristics, analogies (anchoring effects, confirmation biases),[22, 23] norms (groupthink[24]), rules, practices, culture (e.g., corporate culture, risk aversity), and our past.[25] Examples of analogies being used in business include Intel using a steel industry analogy in "referring to cheap PCs as 'digital rebar'"[26] or when Circuit City applied an electronic retail store analogy to the used-car industry in opening CarMax, a chain of used-car outlets. The analogical reasoning stems from some experience and identifying a similarity with a current situation and then applying the patterns of the past to a present situation. Problems arise with using analogies when superficial comparisons are made that lead to the analogical reasoning, channeling the thinking in making poor decisions.[27] The analogy is used as a means to simplify understanding of the present situation and to use the past as the guide for future courses of action. Each of the above promotes less- or nonthinking strategies.

The first step in breaking away from the familiar is to recognize it as an obstacle, at which point the process of unfreezing the familiar can begin by allowing questioning of the accepted views to start. This then allows for the movement in thinking to once again take up its advance and freely move in any direction through the 4-DS thinking spheres. As a caveat, and as previously mentioned, the familiar is very attractive because it is demanding less effort from those who have accepted it. Yet the familiar also represents a cost to an organization in the form of being less innovative and resulting in possible losses in the marketplace from becoming complacent.

Questioning Thinking Obstacles

Most might not think of questioning as an obstacle since it has already been stated that thinking and questioning go hand in hand. This would seem to be a contradiction. However, inherent in questioning are limiting characteristics that affect thinking. In other words, the characteristics of questioning inherently limit thinking in the process. Questioning is finite in that to start questioning, one would need to start somewhere and head in a certain direction. The starting point and the directionality of questioning both represent factors that could potentially impede or limit thinking and should be considered as such. For example, the practice of marketing per a *market orientation* follows a basic type of logic that typically starts with asking about who (a target market) we should pursue in the marketplace and then asks about how we should pursue them—two related but different lines of questioning. If you didn't follow this logic and you started with how (or the what) to market something without an understanding of who it is to be marketed to, this would take you back to one of the marketing orientations discussed earlier in the chapter (e.g., sales or production), which have been found to be faulty forms of marketing thinking. Hence, where one starts in the marketing questioning affects his or her orientation of marketing, which ultimately leads to different types of strategies—some good and some not so good.

Other related questioning issues include the scope, the sequence, and the time spent questioning. A narrow line of questioning will lead to less being considered, limiting thinking. Likewise, the less time spent questioning, the less thinking takes place. This is related to the familiar obstacle of using heuristics, alleviating the demands of thinking in shortening the time required and what is considered. Heuristics are a means by which to reduce or avoid thinking (e.g., higher price means higher quality). Furthermore, lines of questioning are composed of a series of questions corresponding to their line, scope, and direction. The sequence of the questions asked within the series will affect the line of questioning. This is similar to the starting point aspect of questioning as discussed above. As noted in the previous example, the sequence of the who and then the how questions will ultimately affect different strategies. Each of the questioning obstacles including the starting point, direction, scope, sequence, and time spent questioning affects our 4-DS marketing thinking and will be illustrated throughout the chapters to follow, along with ways to deal with them. For example, different starting points will be considered to illustrate how they lead to different strategies. One example comes from Chapter 4, which raises the question, Who is segmenting the market—the consumer or the marketer? How you respond to this question will lead to different perspectives of the marketplace and corresponding strategies. Also, one could step right or left of a line of questioning to potentially see other avenues for strategy. But first one needs to recognize the line of questioning as a line and recognize the limits that are associated with it.

Physiological Thinking Obstacles

The physiological obstacles tend to be more obvious in that all of us experience them regularly. For example, most would recognize that we don't do our best work when tired, sick, stressed, or depressed. Information overload can also contribute to stress and

interfere with thinking. Additionally, when we are either hungry or if we overeat, leading to feeling lethargic, we have less energy and motivation to engage in a lot of thinking. Dehydration can have similar results. This basically means that each individual needs to know when and where he or she will be most effective with his or her thinking. Drinking plenty of water is important, as is being in good physical shape. Basic wellness leads to more effective thinking—getting your necessary rest, eating well, and avoiding getting sick. Also, certain environments lead to more productive thinking. For example, some think better when listening to music. Others prefer being outside. The key is to know what physical conditions will allow you to be more effective at thinking and, hence, to accomplish more in less time.

As mentioned previously, to be more skilled at thinking, obstacles need to be recognized and thinking strategies used to maneuver around them. But the first step is to recognize them, that is, to look for them. Try the following challenges to see if you can identify thinking obstacles that might be related to marketing problems and/or creating a new innovation.

Marketing Thinking Challenge 2.5: The First Step—Recognizing the Obstacles

Identify a marketing problem that you believe to be difficult or challenging. Identify the obstacles that seem to make it appear difficult. What are they? After identifying these difficulties, see if you can come up with ways to maneuver around them. What ways did you find? In thinking of ways to deal with the problem, does the problem now seem as difficult as it did initially? In general, what does this say about problems?

Figure 2.15 Maneuvering Around the Obstacles

Marketing Thinking Challenge 2.6: Innovation and the Obstacles

Try imagining a truly innovative new product or service that would be marketable—that is, a new product or service category that doesn't already exist in the marketplace. Did you find this to be difficult? Why? What obstacles might you run into that prevent you from thinking of a truly innovative idea? How can you overcome or maneuver around the obstacles?

Suggestion: You might want to look at Marketing Thinking Challenge 1.3 to help with this challenge.

| Figure 2.16 | Generating Innovative Ideas |

Summary

- Through the process of appropriation, the thinking behind the satisfaction concept was revealed, along with identifying ways to develop satisfaction strategies.
- The appropriation process can be used with any concept or theory for the purpose of opening up avenues for marketing thinking and strategy. It is a way to empower marketers to understand that marketing concepts and theories are not to be thought of as things but as lines of questions that can be adapted for differing situations. It is through appropriation that they obtain their value through use.
- Different *way*s or strategies were illustrated by the Thinking in Practice companies—Muji and the Sleep Squad.

- Reversing the thinking behind the concept of a strategy—that is, by not thinking of a strategy as an answer but instead as a question—changes the thinking and strategy to be agile, open, and responsive to the changes occurring within a marketplace.
- In addition, to get the most out of thinking requires an understanding of the obstacles that can interfere, and once you recognize them, they can be resolved.

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