

## **The role of marketing intelligence officers in strategy formulation and implementation**

**Introduction :** How often have marketing staff members within an organization been accused of not thinking strategically? Or worse still, how often have the organization's marketing strategists been accused of not taking into account a number of issues relating to market entry, launching a new product on the market and a competitor's retaliatory actions that are said to result in lost market opportunities? If the answer to both questions is "constantly," then it is clear that senior marketing staff need to reappraise the role of marketing intelligence officers and marketing strategists. The answer may be simple. Senior marketing personnel may need to think in terms of merging the roles of marketing staff or creating a new role that is tailored to produce high level, in-depth marketing intelligence, analysis and interpretation that underpins the strategic marketing decision-making process. By adopting a strategic marketing focus, it is possible for a range of marketing staff (those involved in marketing research and marketing planning for example) to be involved in a number of marketing tasks and at the same time raise their profile within the organization. By raising the profile of individual marketing staff and indeed the marketing department/function itself, it is possible for senior marketing staff to play a much more proactive role within the organization, and to be viewed as having a valuable contribution to make to the strategic management decision-making process.

### **The broad-based role of marketing intelligence officers**

By adopting a strategic marketing approach, senior marketing managers can demand that marketing intelligence officers are practical and strategic thinking in orientation. This means that marketing intelligence officers need to work with in-house marketing researchers and participate in a variety of marketing and strategy intelligence related studies. Some of these studies will have a futuristic orientation. For example, as well as undertaking industry specific research, marketing intelligence officers can work with market researchers and assist with the analysis and interpretation of data and information that originates from research projects. Collecting and analyzing customer data is still an important element of marketing, however, in order to fully understand what motivates customers (wholesalers, retailers and consumers), it is necessary to establish what underpins customer needs, wants and demands. It is also necessary, to establish how changes in product, technology and customer service, influence market demand and how in turn they are influenced by developments in technology, which produce the next generation of products and services. It can be argued that marketing intelligence officers need to look more closely at what influences customer demand. This means that adequate attention is paid to market dynamics and in particular, how change originates. This means that various factors need to be evaluated and monitored such as the role of government, changes in government regulations that result in breakthroughs in technology, and the emergence of consumer pressure groups that are concerned with environmental issues for example. As a result, marketing intelligence officers need to think of intelligence gathering as an ongoing, multi-dimensional process, that involves aspects of counterintelligence. Should this be the case, staff in the marketing department/function will be judged to have a strategic focus.

### **The importance of customer surveys, web sites and consumer associations**

The compensation era that business personnel find themselves operating in is teaching them to watch more closely the activities of customers, consumer groups and consumer associations. Marketing intelligence staff will in the future be required to look more closely at what materialises from customer surveys, and this means adopting a proactive stance to company-customer relations. There is no doubt that customer expectations are being redefined and customers are becoming more critical as well as more selective. Potential customers are surfing the web and are downloading material from company web sites. The information downloaded is being discussed with peers, and in some instances acted on. Information contained on web sites is being exchanged and can act as a primer for action by disgruntled consumers. There are benefits associated with placing information on web sites. For example, web site information can stimulate interest in a product and can result in a purchase. Young people aged from 14 to 23, are most likely to surf the web, and be in a position to recall information about the product on offer. It is also evident that young people are surfing the web for information relating to a company (its history, location, commitment to the environment and sustainability for example), and are prepared to collect all sorts of information from press releases and participate in virtual chat rooms.

**Monitoring web sites :** Marketing intelligence officers are advised to think through the strategic implications of this and, in addition, monitor the web sites of competitor companies, consumer associations and overseas-based action groups. This will help marketing staff to develop insights into the way in which consumers think, and how they are likely to exercise their power (both purchase decisions and complaints). Marketing intelligence officers also need to work closely with staff from the public relations department and help formulate logical public relations policies and strategies. "Marketing intelligence officers can increase their input into the strategy process by assisting senior managers within the organization to put in place an effective customer service policy and strategy". Marketing intelligence officers are required to work with staff engaged in customer service and can undertake research that assesses the likely impact of consumer power. Another important potential area to be researched is how consumer associations influence government and how a government responds to the lobbying process. This point has been recognized by Lee (2004, p. 653) who has stated that: "marketers can develop a high quality customer service policy and the organization can put a customer response system in place which ensures that customer service is seen as customer focused". It is clear that marketing intelligence staff need to develop integrative intelligence systems that are

based on identifying customer needs. This should ensure that the delivery of the product and the after sales service are of the required quality. Should this be the case, customers are likely to remain loyal and engage in repeat purchases. In the case of companies buying for resale, it is important for marketers in the supplier organization/manufacturer, to think in terms of assisting with various loyalty schemes that encourage repeat purchase activity. Staff from the supplier/manufacturer can work with staff based at the wholesaler and/or retailer, and devise joint sales promotion programs and/or joint advertising strategies. This should reinforce the win-win strategy that encourages mutuality.

**Identifying the company's strategic marketing vulnerabilities :** It is fair to suggest that marketing intelligence officers will in the future be more involved in corporate intelligence activities, and that senior management need to identify and incorporate new or extended duties into the marketing intelligence officers job description. It is sometimes hard to quantify how much leading companies lose with respect to the illegal activities of criminals and fraudsters. Because of this, it is important that marketing staff are able to measure the company's market share, and work out the loss in market share. In the case of organized criminal syndicates and the growing threat from counterfeiting, Ungood-Thomas (2005, p. 14) has stated: The number of counterfeit goods imported to Britain is at a record high. In 2003 more than 1.54 million fake items were seized by customs, compared with 466,000 in 2001. About two-thirds of the seizures in 2003 were clothing and accessories. Of course, 18 percent were fake Louis Vuitton goods, 11 percent Burberry and 11 percent Nike sportswear. This suggests that senior managers need to think in terms of putting in place an effective corporate security system, that goes beyond computer fire walls/intruder systems. Marketing intelligence officers can work with corporate security experts and the company's legal department/function, in order to ensure that the problems presented by organized criminal syndicates are highlighted by trade associations, and are investigated by the various law enforcement agencies. Marketing intelligence databases do contain large amounts of sensitive data that needs to be safeguarded from various computer hackers. Indeed, it has been suggested that internal computer hackers are responsible for about a third of hacking activities (Crowcombe, 2002), and this indicates that both internal security focused systems as well as outside security focused security systems need to be put in place.

**Cooperation among groups :** Another area of growing concern is industrial espionage (Trim, 2002a). Marketing intelligence officers will in the future be involved in co-operating more fully with government representatives and various trade industry association representatives that confront this type of problem. In order that effective counterintelligence measures are put in place, it is essential that marketing intelligence officers discuss issues and problems associated with industrial espionage, in a more open manner than is the case at present. The issue of counterintelligence is of paramount importance but is often overlooked. However, various approaches exist for developing security systems that have a marketing emphasis/ strategic marketing component (Trim, 2001, 2002b, 2004a). If one accepts that counterfeiting is now a major problem, it is reasonable to suggest that marketing strategists put in place a number of marketing contingencies to counteract the damage caused to a particular brand. Unscrupulous entrepreneurs and companies that operate in an illegal manner can cause additional damage by producing fake components as well as fake products. Customers may unwittingly purchase fake components/products that then fail and cause injury or death. Should this be the case, the issue of product liability may arise and the following investigation may result in legal action being brought against the company. Potential threats and problems need to be quantified and this means placing them in ranked order. Probability analysis can be undertaken that links an anticipated threat/outcome to a specific situation and the cost of evasive action can be determined. Working with marketing strategists, marketing intelligence officers can develop an appropriate architecture for synthesising the marketing effort. This does not mean that marketers need to adopt a blinkered approach to marketing strategy formulation and implementation, instead, it means that marketing intelligence officers need to devise a set of potential marketing strategies that can be adopted and implemented depending on the situation.

**Thinking strategically :** When undertaking various data collection exercises and engaging in company-industry monitoring, it is essential that marketing intelligence officers think strategically. This means that marketing intelligence officers work closely with marketing strategists in order to formulate and implement marketing plans and strategies. In other words, marketing staff must be able to "think outside the box". For example, marketing staff accept that it is necessary to think in terms of identifying the characteristics of customer groups and placing customers in clearly defined segments. As well as thinking through the current situation, it is essential for marketing staff to be able to identify products and services that satisfy unmet customer needs. Furthermore, in the case of global marketing campaigns, it is necessary for marketing intelligence officers to pay adequate attention to the cultural traits that fashion cultural value systems, and to establish how these value systems influence customer purchase perceptions and purchase patterns in various parts of the world. Marketing intelligence officers can also be involved in identifying and assisting marketing strategists to eliminate the potential threats associated with recurring problems in the supply chain. This is an important consideration that relates to continuity of supply, and is often overlooked by senior managers. What is important, is that network arrangements are now providing opportunities for new business models such as outsourcing for example. It is a well known fact that even if adequate attention has been given to important areas of marketing activity such as new product development, problems may emerge. A range of market research tools and techniques exist and can be deployed to assist the new product development process (from the generation of ideas to testing the market for example).

**Shorter life span without program :** What has become noticeable is that products are experiencing shorter life cycles and as a result the nature of the marketing problem confronting marketing staff is changing. This requires that new insights need to be generated, which produce new ways of viewing recurring marketing problems. Even when, for example, marketing channels have been established and promotional budgets assigned to finance promotional campaigns, government intervention can severely disturb the marketing strategy implemented. Part of the answer lies in better training for marketing staff. Hence marketing strategists need to set marketing intelligence officers hypothetical situations to investigate, and ask them to deploy scenario analysis and risk assessment. This should ensure that marketing intelligence officers work with corporate intelligence analysts and staff from the finance department/ function, and formulate marketing contingency plans and strategies. "Marketing officers can highlight strategic problems such as increasing lead times, a shrinking supplier base, short product life cycles, inadequate product functionality, economic downturns, changes in the law, and increased competitor action for example". According to Trim and Lee (2003) marketing staff can devise either a physical marketing strategy, an electronic marketing strategy or a synthesised marketing strategy or any combination of the three. As marketing staff move towards identifying the elements associated with a synthesised marketing strategy, specific attention needs to be paid to time-tabling marketing priorities, and where necessary, reconfiguring the elements of the marketing plan(s). Should this be the case, marketing plans will remain flexible and the contingencies can be implemented as and when necessary. With reference to the strategic marketing concept, Aaker (1984, p. 19) has suggested that the strategic marketing planning approach does not limit a marketing plan to being confined to a specific annual planning cycle. In other words, the marketing planning and marketing strategy process needs to be as flexible as possible, in order that offensive and defensive strategies can be deployed as necessary. Marketers do, therefore, need to adopt a flexible approach to marketing strategy formulation and implementation, and if this is the case, it should ensure that the company remains market driven (Day, 1990). Another key point to highlight, is the fact that senior management need, to identify ways in which to create value (as perceived by customers and shareholders). Kaplan and Norton (2001, p. 2) have indicated that creating value is about:

... managing knowledge-based strategies that deploy an organization's intangible assets: customer relationships, innovative products and services, high-quality and responsive operating processes, information technology and databases, and employee capabilities, skills, and motivation.

**Strategic marketing intelligence systems and processes :** The problems confronting senior managers today can be described as multi-faceted, integrative and recurring. Although senior managers have a range of management models to choose from and have access to relevant university research findings, it is important to note that the pace of market change is increasing. It is, therefore, essential for marketing intelligence officers to work with marketing strategists and develop appropriate marketing intelligence systems that allow customer relationships to be mapped, modelled, and then translated into new buyer behaviour models. These models need to be both culturally specific and industry specific, if that is they are to be predictive in orientation. New approaches to managing customer relationships need to be devised that are culture specific. This means marketing staff need to distinguish between regional customer groups, especially in terms of price, promotion and product adaptation. However, there are a number of common issues. For example, Baker (2003, p. 41) has indicated that customers are becoming more price conscious and are demanding higher levels of service. This refocuses the attention of marketers on specific issues such as availability of the product, the value for money concept and the level of after sales service provided.

**More realistic view :** The strategic marketing concept is underpinned by ongoing market intelligence. This should in turn produce a more realistic view of what the concept of globalization represents. Marketing intelligence officers need to work closely with marketing strategists, global product teams, and brand managers, and formulate sustainable product and brand positioning strategies. As regards the global marketplace, it is important to note that markets in Europe and Latin America are fragmented and need to be serviced in different ways. This means that traditional customer service approaches need to be thought through. In the case of the European market, research should be undertaken that identifies the similarities and differences between Western European and Eastern European consumers. Marketing intelligence officers will need to establish how these similarities and differences influence promotional campaigns, and how the different promotional campaigns should be funded and evaluated. This being the case, marketing policy implementation stands a better chance of being effective in the sense that the risks and uncertainties identified can be quantified and action taken to eliminate the potential threats. "By paying increased attention to product-market considerations, it is possible for marketing staff to formulate a coherent marketing strategy that achieves the desired results". In the case of market entry decisions, it can be stated that the formation of a joint venture or a merger or acquisition strategy can have the desired effect. In situations like these, marketing intelligence officers need to think through the ramifications associated with inter-organizational work practices. When two organizations form a separate company or merge part of their operations, it is likely that some key managers and other members of staff will be moved to the new organization or will actively participate in the restructuring. This will mean that some individuals are undertaking a wide range of duties and the management team may become thinly spread. Long term, an issue will arise such as the management of a hybrid organizational culture and this needs to be anticipated. In order that the new business arrangement functions adequately, it may be necessary to ensure that the cultural value systems that are in place are in unison.

**Developing a strategic organizational cultural marketing orientation :** Marketing intelligence officers are being asked to undertake a wide brief. They are being asked to pay more attention to establishing and evaluating customer expectations, and this means that they are required to develop customer relationship management programs. They are also being asked to develop new methodological marketing approaches, to devise market entry strategies, to formulate counterintelligence programs and initiatives. Collecting and securing marketing intelligence, building and enhancing customer relationships, and developing new scenario analysis techniques are essential if the organization is to move forward. Senior marketing managers do need to pay attention to staff development in the sense that marketing staff need to develop their skill and knowledge base, and to embrace forecasting tools and techniques. This is necessary in order that marketing staff are more able to identify the threats confronting the organization, and to provide advice as regards industry positioning. Marketing staff are fully aware that good communication, a pro-active decision-making mentality and superb leadership skills, are needed if the organization is to maintain its marketing focus. Senior marketing managers need to be viewed as transformational leaders and need to empower marketing staff. Other areas of interest that need to be taken on board include marketing ethics and the issue of corporate governance. It also means that the organization's culture has to embrace issues such as social corporate responsibility.

**Developing strategic marketing-oriented objectives :**

Marketing intelligence officers are at present involved in a number of key strategic marketing oriented objectives (Trim, 2004b, pp. 8-9): Identification of opportunities of growth aligned to new product development strategies. Assessing existing and future profitability objectives in accordance with competitors' retaliatory manoeuvres. Identifying corporate governance traits that result in financial sustainability. Maintaining and enhancing the company's image through internal and external marketing. Assessing customer relationship marketing in the context of social corporate responsibility. Increasing shareholder value in terms of strategic purchasing initiatives. Planning network oriented partnership arrangements that have a global orientation but are placed in a local context. Identifying market entry strategies that can be enhanced by potential strategic partners. Identifying various recruitment typologies that are underpinned by knowledge management. Developing an organizational learning culture and framework that is transferable between cultural groups. Identifying marketing culture perspectives and values. Developing new marketing models and frameworks, and leadership styles. Developing forecasting typologies and future worlds. Organizing cross-functional teams to devise and implement security intruder systems that counteract the work of computer hackers. Outlining how e-marketing can enhance customer knowledge and facilitate the marketing research process. Sign posting with respect to educating employees of the need to implement critical information systems. Highlight best practice associated with the control of sensitive and confidential data and information.

**Conclusion :** In order that marketing intelligence officers are able to contribute to the marketing strategy formulation and implementation process, and the organization's overall strategy, it is necessary that they adopt a holistic approach to marketing strategy decision-making. As well as engaging in marketing activities, marketing intelligence officers will become more actively involved in new challenges. They will work more closely with product and brand managers, on initiatives such as formulating contingency plans that are to be introduced to counter the activities of organized criminal syndicates. It is clear, therefore, that the type of work undertaken by marketing intelligence officers is growing in importance and is likely to become more strategically oriented in the years ahead. It is essential, therefore, that marketing intelligence officers refocus part of their efforts on security work and develop their skill and knowledge base so that they are better able to assist marketing strategists. The main benefit resulting from this change in orientation is that marketing intelligence officers will become more focused on future events and more able to offer advice relating to managing change.