# Alexander Repiev

# Kotler and Kotleroids

People use the word "guru" only because "charlatan" is too long.

Peter Drucker

ACCORDING TO Chicago's Spencer Stuart, "the average tenure for chief marketing officers at the top 100 companies is just 23 months." In apparel, it is only 10 months.

Just think about it: you have spent so much effort and money on your fancy university and MBA degrees, hoping it would be your ticket to the future, only to end up fired within months.

And what about marketing schools? They keep Olympian calm. Why bother? There is no problem with admission. Text-books sell like hot cakes. Money is flowing. True, business and alumni suffer? But who cares!

Henry Mintzberg of McGill in Montreal has the following to say about the reasons of the failure of business education: "Business schools train the wrong people in the wrong ways with the wrong consequences." I would add —"with wrong teachers and with wrong curricula."

Whence all that wrongness?

In 1962, at Northwestern University there appeared a new teacher. He was a theoretical economist, PhD, who had dabbled in mathematics at Harvard for a while. He had neither worked a single day in real business, nor taught anything anywhere, nor had the slightest idea of the practice of marketing, but... he bravely decided to teach precisely that extremely practical discipline

For the history of marketing theory and especially for marketing education that was a crucial moment. I wonder at times of what would come of marketing, if in place of that self-proclaimed marketer there would have been other people? Or at least, if that new teacher would have been, for instance, a sociologist or a psychologist?

If those had been marketing sages, such as Peter Drucker or Theodore Levitt, we would have gotten some brilliant text-books on client-oriented marketing. Let's call it cliento-marketing. This marketing is based on marketing thinking from the Client's perspective and refined analysis of concrete marketing situations again from the Client's perspective. Such marketing had been practiced long before the dubious idea to teach marketing at higher schools had occurred to somebody.

If it had been Claude Hopkins, we would have gotten a set of practical marketing advices and examples, so valuable that even such an esteemed expert as Jay Abraham confesses that he has made his first millions by precisely following Hopkins's precepts.

I doubt, however, that the striking practitioner Hopkins,

whose talents had brought fortunes to firms and saved moribund brands, would have agreed to fill that position. He said: "Tell me how a college professor, who has lived his life in an educational cloister, can be fitted to teach advertising or practical business. Those things belong to the school of real business. They are learned nowhere else."

Also, I think the milieu of business education would have

hardly accepted Hopkins. An indication of what marketing schools look like is one letter I received from a person who after 20 years in international business switched to teaching marketing at university:

"The university system is a self-sustaining political monster that has a limited interest in really preparing the students for the reality of the business world. So I am a frustrated business person inside an academic system that has little regard for practicalities and operational efficiency. Form is more important than substance and the system protects the mediocre while failing to

reward initiative. As you can see, I have little respect for what man has done to the institution of higher learning called a university! I sometimes wish I could go back to the world of business, but since I got my PhD they think I am an academic and irrelevant – I guess you can't win!"

One who dares in such a stagnant slough to teach to the future of the American and international business a discipline of which one has no inkling must have a kind of special makings. Amply endowed with them was our hero, **Philip Kotler**.

# Economist Kotler "kneweth" marketing

I have no way of knowing what kind of economist Kotler was, but I suspect he was not a good one. By the time he made his appearance at Northwestern University, Kotler's head was an economic mess. At the University of Chicago his mentor was Milton Friedman, a free-market evangelist; at MIT he did a PhD under Paul Samuelson, a partisan of state control to such an extent that two years before the demise of the USSR he had published a laudatory paper on the Soviet economy. Kotler was so frustrated that he switched for a while to mathematics, and then marketing turned up.

<sup>\*</sup> Perhaps "rapeth" would be a better word. But English is not my native tongue, my dear Anglo-Saxons.

Normally, when changing a profession or even a specialty within a profession, mature people start with a profound analysis of the peculiarities of a new occupation. They honestly try to perceive its mission, tasks, philosophy, and limitations; its tool kit, methods of proving hypotheses, measurability of things; its history, traditions, and language; its relations with other domains.

I would also mention an understanding of criteria of success in a given field, as well as the qualities of members of the profession that make them successful. It also pays to compare these criteria with those in the previous endeavor. At the end, one should ask oneself – Am I made for this new job? I, for one, have given a negative answer to that question several times at my crossroads.

My observations suggest that many newcomers to marketing and advertising ask themselves no such questions. They just continue to approach these crafts in the perspective of their previous field: economics, mathematics, sociology, psychology, NLP, design, etc.

It was about such specialists that Abraham Maslow used to say: "If all you've got is a hammer, then every problem looks like a nail." Our young lecturer arrived at the marketing profession with only one "hammer" – that of economic formalism. Strictly speaking, he has not acquired any other tools ever since.

Economist Kotler rejected all of the then marketing textbooks as descriptive (they described the Client) and insufficiently "scientific" and "rigorous." He produced his own text that seemed to him to be adequately scientific and rigorous.

Kotler's colleagues, who did not want to strain themselves, were only happy to borrow his text for their classes. The success of his materials with his teaching fellows prompted to Kotler one lucrative business. In 1967, his maiden brick of a book called "Marketing Management" was published.

Hey presto! Our hero appeared to have a talent for writing. Voluminous writing.

### Who are Kotler's clients?

Each profession has its end consumers of its results, its Clients. In medicine these are patients; in public transport – passengers, and so forth. A professional should care for his Clients. Says Giorgio Armani: "I design for real people. I think of our customers all the time. There is no virtue whatsoever in creating clothing or accessories that are not practical."

Clients of a college teacher are future practitioners. An honest professional teacher must always think about them, their future, their happiness. He must feel responsible for them.

To begin with, a college teacher should have a profound understanding of the requirements of the profession whose members he is supposed to train. Kotler definitely has none. Unlike Armani, he has failed to perceive, unfortunately, that it makes no sense to produce specialists "that are not practical," especially ones who would be a disaster in the field. The question invites itself: did he even try to understand that?

Analysis of Kotler's writings and behavior strongly suggests that Kotler's "clients" are not future practitioners.

Kotler's clients are marketing teachers.

This is an army of devoted Kotleroids. They use his expen-

sive text-books themselves and make their students to buy them. It is a big market. And big money!

### Marketing is no economics!

This elementary thing appeared to be beyond "the father of marketing"! He turned academic marketing into a slightly "marketinized" economics, or rather <u>pseudomarketing</u>.

For some reason, from the very beginning, Kotler decided that marketing badly needs a combination of economics, mathematics, management, and behaviorism. Here I feel like heaving a heavy sigh.

He considered that his task was "to explain how the marketplace really works by giving real-life texture to the theories of economists (!?)." Why not to continue to explain that in his lifeless economics?

According to two professors [1] who studied Kotler's life story: "The first edition was clearly the work of an economist who had a behavioral science bent." It is obvious that those professors are blithely unaware of having said an appalling thing: for years students had been taught economics, believing is was marketing.

The professors go on to say: "With subsequent editions, one can see the marketer emerge (!?) and become dominant." Can you imagine physics books whose author gradually emerges as a physicist? By the way, it would be interesting to get from the professors some examples of his "emerging."

Let us start with the ABC's. The term "marketing" comes from the word "market." Hence many consider that marketing is to deal with markets. But... markets are a concern of the management and many corporate departments, all viewing them from different angles. In other words, the notion of "market" for different experts is filled with a slightly different sense.

For an economist, a market is a combination of monetary and material flows.

#### Why do we need marketers then?

We need them because it has long been understood that markets never buy anything. People do. Clients do.

### We need marketers to work with Clients.

When economists talk about the Client, they reluctantly "descend" to him from their cozy monetary-material haven.

By contrast, marketers deal with the Client. Speaking of the market, they "ascend" to it from the unpredictable Client.

For a marketer, a market is the averaged Client.

Peter Drucker put it superbly: "Marketing is a whole business seen from the customer's point of view."

Well, we need both economists and marketers. We need a symbiosis of their approaches to business. But we don't need one replaced by the other, exactly what Kotler has done.

It is not easy to look at everything in business through the eyes of the Client and to lead him expertly to a purchase. Only people with marketing thinking can be taught to do that.

Economic thinking here is often a hindrance.

# Economic thinking vs. marketing thinking

What underpins the mentality of an economics geek? – *Ordnung über alles!* Everything neatly slotted, everything supplied with a definition, everything classified, much junk mathematics, many schemes and primitive linear curves. And... all of that is mostly irrelevant for practice. And nobody minds.

By the way, in the business of slotting and regulating everything, Kotler is second to none.

The principal notions of economo-marketing borrowed by Kotler from economics are: demand, supply, exchange, value, value chain, profitability index, market capture, market share, market concept, strategic planning, supplier, pricing, selling concept, sales channels, reporting, costs, business analysis, process management,...

At the core of the mentality of a true marketer must be the Client, His Majesty the Client, and everything that is concerned with the Client. Peter Drucker said: "Ideally, marketing should result in a customer who is ready to buy."

Lo and behold, the reader, read and re-read:

"... a whole business, seen from the customer's point of view"

"... a customer who is ready to buy"

Customer, buyer, consumer, Client... marketing.

Unfortunately, I cannot make Kotler to do that.

The principal notions of cliento-marketing are: Client, buying criteria, needs, solving the Client's problems, meeting the Client's needs, purchase, product-selling information, selling points, competitive advantage, marketing audit,...

Unlike a salesperson, who deals with a concrete Client, a marketer deals with the Client averaged over a segment. It is impossible, in principle, to fully understand the Client, let alone to "calculate" him. He can only be roughly appreciated or sensed. In this, no book knowledge will assist. Of much help, however, will be marketing thinking, either in-born or acquired.

Underlying marketing thinking is thorough client-orientation. The philosophy of a client-oriented firm can be represented thus:



It is precisely client-orientation that must be a starting point and essence of any marketing project and of any book on marketing. Recognizing the core role of the Client in marketing, one German marketer proposed that marketing be renamed to "clienting" – not a bad idea.

Marketing thinking incorporates an ability to *think* like and for the Client and *feel* like and for the Client. Copywriter Leo Burnett was absolutely right: "If you can't turn yourself into your customer, you probably shouldn't be in the ad business at all."

Like it or not, we have to admit that:

Kotler has no marketing thinking.

Absolutely!

Can marketing thinking be developed? Yes, it can. But not with Kotler's books. What is more, his books are a perfect tool for fabricating marketing robots even from people with in-born marketing "ear."

"Kotler mentioned that Peter Drucker and Theodore Levitt ('Marketing Myopia') also influenced his thinking, because both of these authors argued for a customer-centered approach." [1]. In other words, they attempted to make Kotler into a marketer, but... to no avail!

It is funny because client-orientation is the very *raison d'etre* of marketing. Kotler does sometimes talk about the Client, or even client-orientation. But he has failed to grasp the very essence of client-orientation, let alone the way it must affect the thinking and practical actions of a marketer. He does not realize that marketers should mainly be taught client-orientation and marketing thinking. Unfortunately, he can only teach formal schemes.

Kotler and his "merry men" are to blame for evicting creativity from marketing.

# No marketing creativity, please!

In the boundless ocean of possible business situations, real practical marketing is a sophisticated craft of making unique decisions fine-tuned to a given case. It is a fusion of imagination and acumen. It is creativity! Examples are galore to illustrate the importance of creativity in marketing.

Any creativity begins with imagination. Theodore Levitt said: "To exercise the imagination is to be creative... The marketing imagination is the starting point of success in marketing. It is distinguished from other forms of imagination by the unique insights it brings to understanding customers, their problems and the means to capture their attention and their customs."

It is imagination that prompts to a creative marketer productive "Client" questions: how the Client lives; what his problems are; how he buys and uses the product; what language he understands; what he knows about a given technology; whether a purchase is simple or complex. And so on and so forth.

The importance of creativity in marketing is understood by some theoreticians. For Prabhu S. Guptara "Marketing is a creative process." Does Kotler understand that? Does he try to develop imagination and creative vein in his readership? Nope.

The first edition (1967) of his tome carried a chapter on "Marketing creativity," but then Kotler quietly removed it. The British marketer Nigel Piercy in his "Market-Led Strategic Change" comes up with an explanation: "My suspicion is that the reason is simple – lecturers and professors using the textbook did not want it to remain, because **they want to teach theory, structure and systems, not creativity**." – Do you remember who Kotler's clients are?

Piercy inquires: "When did we forget about creativity in marketing and strategy?" – When? When marketers began to be taught from Kotler's tomes.

It is queer to read in Kotler's Millennium Edition:

"A distinction needs to be drawn between responsive marketing, anticipative marketing, and (!?) **creative** marketing."

In other words, according to Kotler, most of marketing should not be creative. Well then, but what is reserved for a "creative marketer"?

"A creative marketer discovers and produces solutions that customers did not ask for, but to which they enthusiastically respond."

All other decisions should not be creative, eh? By the way, what solutions customers *did* ask for?

What does Kotler offer instead of creativity in marketing? Formalism.

We read: "Effective marketing can take many forms. Although it is easier to learn the formulated side (which will occupy most of our attention in this book), we will also see how creativity and passion can be used by today's and tomorrow's marketing managers."

Marketing à la Kotler is only fit to effectively build bureaucratic marketing departments and to write pretty marketing plans. However, Kotler's readers will hardly ever see any "creativity and passion" – our guru has nothing to do with them.

### Kotler is afraid of creativity!

Even in those rare cases where Kotler tries to speak about creativity, he just cannot do without his darling schemes. In his book "Lateral Marketing" one reads: "The logic of creativity consists of taking an element, displacing laterally one aspect of it, and connecting the gap that has been provoked." – Want to be a creator? Just displace and connect.

One illustration of what occurs when companies forego creativity and begin to practice Kotleroid marketing is Sony. There was a creative spell in its history when under the guidance of Akio Morita the firm has been launching one breakthrough product after another.

Oren Harari of the University of San Francisco writes: "In the early 1980's two important events occurred: Morita began to disengage himself from the company, and the company hired its first MBA's. The MBA's quickly began to conduct market research studies and base the company's strategic decisions on the results. While this analytical process led to better products in established markets it did not lead to the kinds of disruptive technological breakthroughs that had catapulted Sony's status into a turbo-growth financial and brand powerhouse."

Nature abhors a vacuum. It is precisely the absence of creativity in marketing  $\grave{a}$  la Kotler that has lead to the emergence of a fairly adventurist idea of guerrilla marketing.

### Irresponsibility to practice

Professor Kotler does not comprehend that, unlike economics, marketing can not fare in an ivory tower – it needs practical results. Does he care that somebody has to put to practical use his fantasias and schemata? – Quite unlikely.

In his letter to Kotler [3] Bruce W. Marcus writes: "Giving advice, particularly to people who have no frame of reference nor tradition of marketing, is easy. Taking responsibility for the results of that advice – which I and most working marketing consultants have always done and must do – defines the validity of that advice." (Alas, not "most"! There are many clones of Kevin Clancy and Peter Krieg, authors of "Counterintuitive Marketing".)

Marcus is echoed by the few practitioners who post their reviews of Kotler's texts at Amazon.com:

"Those who are already in business, like me, might have a hard time extracting practical advice from it."

"The book leaves no doubt that Kotler has no experience of real business."

"The book does not help with reality."

"An expensive, five-pound 'bible' is only good if you want to wake up your colleagues by dropping it on the table."

It seems that Kotler borrowed his attitude to business practice from his mentor Paul Samuelson, who demonstrated such a contempt for real life that years ago a paper appeared in "Journal of Economic Perspectives" that addressed the harm done by his text-books, which ignored empirical evidence.

#### Kotler's logic

It is stressed everywhere that the bulk of Kotler's writings are meant for MBA courses. I wonder whether our guru could pass a GMAT test, especially its sections "Critical Reasoning" and "Analysis of an Argument"?

Reading Prof. Kotler's texts has led me to conclude that he is an adherent of a peculiar "logical" school in scholastic marketing. Its essence is as follows: at first he takes something from thin air or mechanistically borrows it from somewhere; then he enthusiastically refers to that revelation. In the process, everything is "supported" by painstakingly selected cases. All the disagreeing examples are ignored (See below "Utter honesty".) This way a logical house of cards is built, which falls apart at a contact with real life.

Albert Einstein said: "Everything should be made as simple as possible, but not simpler." With Kotler, everything **is** "simpler." He does not feel the line beyond which simplification becomes simplistification, primitivization, profanation.

"A company develops advertising messages and distributes them among potential clients. The next task is to identify potential buyers (!?) who can really become profitable clients, grading customers and turning them into real clients (!?). And then it is necessary to maintain with them mutually beneficial relationships as long as possible."

Or:

"Sellers must search for buyers (*Buyers of what?*), identify their needs (*In what product categories?*), and design good market offerings that meet these needs as fully as possible."

Found, identified, designed, sold to! What a style! It reminded me of army regulations.

To begin with, there are no buyers "in general." More often than not a marketer proceeds in the opposite direction – from an available product. Attempts to identify needs for a novel product generally lead to an impasse.

"The company's share of market demand depends on how its products, services, prices, communications, and so on are perceived relative to the competitors'. If other things are equal, the company's market share would **depend on the size and effectiveness of its market expenditures** relative to competitors."

What will a company get from knowing that share? How is it to be assessed? And what if the target audience has no perception of note? If company's products "sell themselves" (Drucker), what marketing expenditures are involved? Many marketing expenditures reduce sales. And so forth.

Here is another curious idea of Prof. Kotler's:

"Marketing can be learned in a day but will take a lifetime to master."

Since for Kotler marketing is a cubic meter of his bricks... well, I'd love to take a look at a wunderkind who would be able in a day to cope with at least one brick, and, more important, to remember anything. And, yet more important, to use in practice.

Kotler has another "logical" trick: he starts out with a correct (or partially correct) statement from which he draws absolutely wrong conclusions. Just one example.

"Marketing decisions must be made in the context of insufficient information about processes that are dynamic, nonlinear, lagged, stochastic, interactive, and downright difficult. These characteristics could serve as an argument for intuitive marketing decision making. Yet to this author and to many colleagues and marketing executives they suggest quite the opposite: they suggest the need for more theory and analysis in marketing, not less."

Since this statement looks like a philosophical and methodological justification of everything wrought by Kotler in theoretical marketing, its closer consideration would be in order. Deserving critical scrutiny are not just individual phrases, but even some individual words, but I will only concentrate on the main points.

"Marketing decisions must be made in the context of insufficient information about processes that are dynamic, nonlinear, lagged, stochastic, interactive, and downright difficult."

Admittedly, this is so. But what is "information" for Kotler? Most subtle details of the buying process? Nothing of the sorts. It is mostly economic (pseudo)data produced using quantitative research, unproven formulas, schemata, dogmas, and fantasies.

"These characteristics could serve as an argument for intuitive marketing decision making."

That's great! Academia are wont of maintaining (see, e.g., the above-mentioned "Counterintuitive Marketing" by K. Clancy and P. Krieg) that nearly all practitioners are solely guided by their testosterone and intuition. They have no brains.

Let's sort things out. Fine marketing thinking calls for both logic and intuition. One should not be separated from the other: marketing is a craft for two-brainers. Kotler admires Sony's Akio Morita. But he clearly doesn't know what Morita used to tell to his team: "Carefully watch how people live, get an **intuitive** sense as to what they might want and then go with it. Don't do market research." And I don't think Morita recommended his stalwarts to read Kotler. Morita's experience has shown most convincingly that disciplined creative intuition multiplied by logic and acumen can work wonders.

"Yet to this author and to many colleagues and marketing executives they suggest quite the opposite:..."

"Opposite" to what? – To the use of intuition?

"...they suggest the need for more theory and analysis in marketing, not less."

To begin with, this is not "opposite" to the just said.

"More" and "less" than what?

What is marketing "theory" for Kotler? The contents of his tomes?

What analysis does Kotler talk about? Pseudomarketing with its "flow" markets is done in the head of a marketer and in his computer; cliento-marketing is done in the head of the Client. What analysis does Kotler mean then? Analysis of the flows? Or analysis of the Client – his "qualifications" as a buyer; his knowledge of criteria of product selection in a give category, etc.? Such analysis is simply impossible without intuition.

Marcus has so estimated Kotler's logic [3]: "[The book] sees the subject in such distorted ways as to remind me of Dr. Pangloss in Voltaire's Candide. His concept of life included such dicta as, 'Are noses not so wonderfully made to fit spectacles'?"

In class, I sometimes offer students to analyze alogisms, pa-

radoxes, half-truths, and far-fetched ideas from Kotler, Porter, Rice and Trout.

By the way, the last duo must have taken lessons of logic from Kotler. This is how they justify their code of 22 marketing laws: "There are laws of nature, so why shouldn't there be laws of marketing?"

### Fussiness and eclectics

For the large part, Kotler produces text-books. This is a special kind of literature. Anything that awaits final confirmation is generally discussed in articles and monographs. Included in text-books is only what has passed an acid test of practice and will hardly change. Leo Landau, a Nobel Laureate in physics, who himself produced a famous text-book of theoretical physics, dubbed text-books "cemeteries of ideas."

In this connection, it is absolutely unclear why in his text-books Kotler keeps changing even the very fundamentals. The indefatigable researcher of Kotler's exploits Stephen Brown [2] writes: "The Venerable Phil, of all people, is a past master of recycling, repetition and strategic reversal. He has announced a 'new marketing' paradigm on at least eight separate occasions, each one a challenge to the prevailing approach (previously laid down by Kotler himself!)."

So, 40 years have passed and now Kotler ponders on the virtues of intuition. In his "Marketing from A to Z" he confides: "My 40-year career in marketing has produced some knowledge and even a little wisdom (!?). Reflecting on the state of the discipline, it occurred to me that it is time to revisit the basic concepts of marketing... (Again!? My goodness!) My approach is influenced by Zen. Zen emphasized learning by meditation and direct, intuitive insights. The thoughts in the book are a result of my meditations on these fundamental concepts and principles."

And what if tomorrow our professor gets enthused by something else, say, by "Kama sutra," "Harry Potter," "Beyond the looking glass"?

A grown-up keeps changing his core professional views like a weather cock. What's that? Opportunism? Rather yes, than no. Dishonesty? I do not know. The marketer John Dawes in his paper "Gurus and fads: approach with caution" [5] writes: "They believe what they say. But so do tarot readers, crystal-ball gazers, tealeaf readers, astrologers, and so." We are thus left with a dilemma: is Kotler so naïve that... or it he so...that...

From the very beginning Kotler has been a voracious compiler. By and large, there is nothing reprehensible about compiling, provided some conditions are met.

First, a good compiler selects only what is correct and what is the most valuable. What is valuable for Kotler? Not what can help a student to understand the Client and to make correct client-oriented decisions. As said above, ideas of famous clientomarketers occur sporadically in Kotler's books – a kind of lip service – but they are out of the vein of his texts. It seems impossible to goad Kotler to real cliento-marketing.

Second, a good compiler distorts nothing. Kotler distorts many things. Here is how Marcus [3] responded to the mentioning of his name in Kotler's book "Marketing Professional Services": "I must disavow any contribution they perceive I may have made. This disclaimer is necessary because I think this book so substantially misunderstands its subject as to be virtually useless to any professional, or professional marketer, and I don't want my name associated with it... I don't think Professor Kotler

has shown any inkling of what professional services marketing is about... The authors' view of marketing itself is particularly disturbing." Below I discuss the distortion by Kotler of Maslow's ideas. I believe that a more thorough analysis would reveal a host of such examples.

Wise enlighteners preach to teach students the basics, fundamental principles, remembering the maxim: "Education is what is left after you have forgotten everything you learnt." Seneca: "One gains more by having a few wise precepts ready and in common use than by learning many without having them at hand."

It is impossible to identify "a few wise precepts" in Kotler's eclectic writings: they are chock-full with fluff and bluff and incomprehensible assertions – a kind of mental chewing gum. You forget the stuff just read after a couple of pages.

# Kotler's delusions

Kotler's delusions are in abundance. We will only consider those that concern some fundamentals and scientific claims.

## **Exchange**

Americans have a joke: "Teach a parrot to say 'supply and demand' and you have an economist." Economist Kotler knows a further word "exchange." He has even included this word into his definition of marketing, which, by the way, was pronounced by Marcus to be "too obtuse" to even mention it.

In 1972, Kotler even stated that marketing is "scientific study of exchange relationships." He explains to the reader: "Exchange, the core of marketing, involves obtaining a desired product from someone by offering something in return."

First, exchange is the core of economics, not marketing. Second, exchange also occurs in a seller's economy, where there is no need for marketing. Third, unlike economists, of the two parties to an exchange, a marketer is mainly interested in the buyer, or rather, for the most part, in what occurs with the buyer before (and after) a sale, because the marketer is to create "a customer who is ready to buy" (Drucker).

### Value

Economists and Kotler love the abstract notion of "value." It is very easy to hide behind that obscure abstraction.

"The customer gets benefits and assumes costs, as shown in this equation:

Value = Benefits/Costs = (Functional benefits + emotional benefits)/(Monetary costs + time costs + energy costs + psychic costs)"

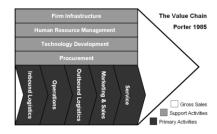
This all raises a lot of unanswered questions to "value." So, the marketer John Ramsay of the UK asks: "Is [customer value] **physical or mental, abstract or concrete, monetary or psychic?**" What units is one supposed to measure it in?

With Kotler everything in the garden is just lovely – he need not to put his fantasies to practice.

"Based on this equation, the marketer can increase the value of the customer offering."

Really? It boggles my mind just to think of what a poor company would do without that "equation"!

Kotler urges us to increase, deliver, etc, our value. How? Using the so-called Porter's value chain.



I have found no reasonable clue to how this abstraction should be used in practice. There is one explanation: it cannot be used. John Ramsay: "There is no such thing as a value chain." (For more details see <a href="here">here</a>.) But this useless scheme is included in all marketing texts.

There is much confusion with value in Kotler's books. So, it is hard to understand what precisely should the Client estimate, value or benefits. Russian translators had difficulty with phrases such as "...product will produce certain benefits such as value or performance."

If Kotler had some marketing thinking, he would understand one elementary thing: a purchase is a selection by the Client of a product that is the most attractive to him in comparison with the competition. However, the notion of value does not cater for any comparisons, whereas that of "selling points" does. It looks like Kotler has not heard about them.

The most non-marketing, however, are Kotler's ideas of the Client.

### Homo kotlerus

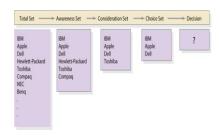
As I said before, at times economist Kotler remembers about the Client, but his Client – let us call him *Homo kotlerus* – is essentially *Homo economicus*, the notion used by economists.

Homo kotlerus is a non-existent personage. He is a rational, self-interested, emotionless, human computer. His head stores information about everything. He is completely aware of what he needs; he knows all the buying criteria for any product; he is well versed in all the technologies and products, characteristics, and prices. And, what is especially impressive, that robot knows all the brands in thousands of product categories.

Here is how *Homo kotlerus* buys a computer:

"The buyer chooses between different offerings on the basis of which is perceived to deliver the most value."

And, of course, our buyer follows a pretty scheme that is available in his robotic mind:



As to "the most value," identifying it for our *Homo kotlerus* is just a piece of cake (see "Kotler's models.").

Homo kotlerus has nothing to do with life. If we look at the Client from the point of view of a creative cliento-marketer, we will discover that he is an indifferent, cynical, overproposed personage minding his own business, living under information pollution, and armed with the Internet at that. Theodore Levitt adds:

"Consumers are unpredictable, varied, fickle, stupid, short-sighted, stubborn, and generally bothersome."

When buying hundreds of products, the Client typically has an obscure recognition of his needs and product evaluation criteria. A reasonable Client himself goes out to learn the criteria and develop informed needs. As to brand names, he knows not many of them. That can readily be tested.

It is hard to sell to such a Client – "the longest distance is to the purse" (Jewish saying). Who are called upon to cover that distance? Cliento-marketers.

A cliento-marketer begins with an in-depth analysis of his product from the Client perspective and, of course, of the Client himself: the Purchasing Man and the Living Man. When he has acquired sufficient knowledge of and feel for the Client-product possible relations, he may go over to segmentation. Before that there is simply nothing to segment!

With Kotler everything is simpler, or rather more primitive. He does not need to meticulously study the Client, since from the very beginning the Client is an open book to him (with all the coefficients, weights, and other numbers). Therefore, to him: "Marketers start with market segmentation."

### **Needs**

Most people in marketing, sales and advertising do quite well with just one term "needs," well aware that these might be of various caliber – from fundamental needs to impulses and fads. They talk about identifying, creating, and meeting the needs of their Clients. Just needs.

Kotler has complicated the picture dramatically. In addition to needs, he talks about requirements and wants. He often uses the phrase "needs and wants." When he throws in "value," the picture doesn't get any simpler.

"Needs [basic human requirements] become wants when they are directed to specific objects that might satisfy the need." (Kotler always talks about *one* need.)

However, needs and wants are not necessarily linked. A need turns into a want only when a person *wants* what he buys. When he buys a product guided by his want alone, he may discover later on that he does not actually need the product.

When purchasing lots of ho-hum products, a Client may show no special want. While needing a serious surgery, he hardly burns with desire to lie under the knife. Anyway, he buys it.

A marketer should thus understand that what is important is "the Client who is ready to buy," whatever his motives. It is not that important what determines the Client on his purchase: just a want; need awareness + a want; or just need awareness without any want.

"Marketers do not create needs: needs preexist marketers. Marketers, along with other societal influences, influence wants."

A fairly dangerous assertion: an inexperienced marketer may decide that because fundamental needs occur on their own, no need to bother – the Client will himself demonstrate his need when looking at a product.

Kotler's fallacies here start with his misinterpretation of Maslow's theory. To begin with, speaking of "basic human needs" and their hierarchy, Abraham Maslow meant very rare "chronic extreme" needs, for instance, hunger in a besieged town. He forewarned that his reasoning might suggest a false idea that "If one need is satisfied, then another emerges." He goes on to say:

"This statement might give the false impression that a need must be satisfied 100 per cent before the next need emerges."

It is exactly this trap that our "guru" fell into. By the way, if Kotler read the original works of Maslow, he would learn among other things that Maslow had built no pyramids for which he is often criticized.

A practical marketer can benefit from the following Maslow's idea: "Behavior tends to be determined by several or all of the basic needs simultaneously rather than by only one of them." In other words,

### Nearly any product satisfies several needs.

In a varying degree at that.

Practitioners may be harmed by the fact that Kotler does not understand one long established fact: quite often a buyer has just obscure needs and expectations. Panasonic's Matsushito is right: "A man in fact does not know what he wants, show to him a thing and he will know what to want."

This suggests an absolutely different, more sophisticated behavior of a marketer. When he studies the Client from different angles, he should, among other things, evaluate the "qualifications" of the Client in relation to given products and technologies, as well as the content and volume of education that will be required in order to give a "selling" description of the product to the Client and to engender "informed" needs.

In some marketing situations needs are apparent; in others, not. To reveal them to a Client often takes talents of a good marketer and/or a salesperson.

To create a new product, a marketer should develop "intuitive sense" (Morita) of what people need. Polls often fail. Schemes do not work.

### Scientification of non-knowledge (SONK)

Kotler and his following like to talk about the scientific nature of Kotler's writings. When Kotler came to marketing, his goal was "promoting marketing as a science" [1].

As a matter of fact, he is instrumental in killing the very soul of the high craft of marketing by replacing it with mimicry of science, much to the chagrin of cliento-marketers.

Sumantra Ghoshal, an ex-professor at London Business School, rightly believed that the desire of business schools to make the study of business a science has led them increasingly to base their theories on some of the more dismal assumptions made by economists, on stupid mathematical models and on simplistic scenarios of individual human behavior, "that appeared scientific, and thus earned academic respectability, but were, in fact, a pretence of knowledge where there was none."

This game of science in marketing has assumed such threatening proportions that Professor Andrew Ehrenberg of the UK coined a name for it - SONK (Scientification of Non-Knowledge). It is safe to say that the head of the SONK-ing school is Professor Kotler.

Let us try to sort things out in this "scientific" delusion.

It pays to start with two questions:

What requirements must a domain meet to lay claim to the status of a science?

Some believe that science is knowledge. Of course, all

sciences include a certain body of knowledge. But we tell a science from other endeavors not by "mechanical" knowledge, because some arts and crafts may boast even larger bodies of such factual knowledge.

What distinguishes a science is laws, theories, and formulas that, firstly, are supported theoretically and/or practically (experimentally) and, secondly and more importantly, that enable something to be *predicted*. For good and ill,

There is no scientific knowledge in marketing.

What qualities must an expert possess, to have the right to call himself a scientist?

Many. One of them is honesty.

# "Utter honesty"

As Feuerbach put it: "Love of science is love of truth; therefore honesty is the principal virtue of a scientist." A dishonest scientist will sooner or later let himself go to garbles and lies, and find himself among pseudo-scientists.

The Nobel Prize winner Richard Feynman, a stickler for scientific scruples, in his paper on pseudo-science wrote:

"It's a kind of scientific integrity, a principle of scientific thought that corresponds to a kind of utter honesty – a kind of leaning over backwards... I'm talking about a specific, extra type of integrity that is not lying, but bending over backwards to show how you're maybe wrong, that you ought to have when acting as a scientist. And this is our responsibility as scientists, certainly to other scientists, and I think to laymen."

Do you hear that, Professor Kotler?

The biologist Jorge E. Allende of Chile writes: "In evaluating projects, we must forget who are our friends and enemies, the competitions between Faculties and Universities and rigorously analyze the project within its scientific context, in its relevance and in the thoroughness in the approach of the authors. Every praise and criticism we include in these evaluations should be validly supported."

Do you hear that, members of the Soviet-style academia's mutual admiration society, appraisers of Kotler's tomes.

### **Proofs and rigor**

Feynman goes on to say: "During the Middle Ages there were all kinds of crazy ideas. Then a method was discovered for separating the ideas – which was to try one to see if it worked, and if it didn't work, to eliminate it. This method became organized, of course, into science."

Thus, science itself owes its very birth precisely to trying, or rather to proving. Science is still built on strict proofs. Everything unproven is just a scientific hypothesis awaiting its proof; or a result of idle speculation, or an utter nonsense, or pseudo-science.

Pseudo-scientists recognize no proofs. They sort of say: "We just make our world-shattering assertions. If you are unhappy with them, prove that we are wrong." They could not care less that even ancient Romans considered that "the asserter must prove."

Protruding through pseudo-scientific declarations are sophisms, far-fetched analogies, and biased interpretations.

Philip Kotler arrogantly brushes away all accusations that he

proves nothing: "I remember a remark of Paul Samuelson, my mentor: 'It is difficult enough to develop theory than to take the time to prove it. That work can be done by others'." This rendered me speechless. Then I remembered that Samuelson was an admirer of Bolshevik economy. Perhaps, he also mastered ironclad Bolshevik logic – that is so because it must be so. Period.

Well then, if "scientist" Kotler believes that to prove – is not his "high-and-mighty" business, he could well delegate the task of checking his wisdoms to "others."

Kotler and Kotleroids have another pet topic – "rigor," which is allegedly characteristic of Kotler's analysis and models. It is stunning for me, a physicist by education, that these people have not the slightest idea of what real scientific rigor is about.

To begin with, rigor is honesty and proofs, thoroughness and correctness in all, from problem formulation to publication of results.

Feynman wrote: "You should report everything that you think might make it invalid – not only what you think is right about it: other causes that could possibly explain your results; and things you thought of that you've eliminated by some other experiment, and how they worked – to make sure the other fellow can tell they have been eliminated. Details that could throw doubt on your interpretation must be given, if you know them. You must do the best you can – if you know anything at all wrong, or possibly wrong – to explain it. If you make a theory, for example, and advertise it, or put it out, then you must also put down all the facts that disagree with it, as well as those that agree with it."

Kotler has no boring habit to honestly cite cases that do not fit into his constructs, in blithe disregard of the fact that in marketing there are a multitude of mutually exclusive situations.

Inherent in pseudo-scientists is dogmatism. The marketing sage Theodore Levitt lamented: "The problem with the marketing concept is a persistent tendency toward rigidity. It gets dogmatized, interpreted into constantly narrower and inflexible prescriptions. This is dangerous because of marketing's centrality in shaping the purposes, strategies, and tactics of the entire organization."

Kotler was instrumental in the dogmatization of marketing.

The notion of rigor is closely linked with the following.

# Assumptions and validity domains

Since it is only rarely that theories and models ideally describe a phenomenon, researchers normally employ assumptions and simplifications. Economist Mankiw, reportedly a "Kotler" in economics education, maintains that "The art in scientific thinking is deciding which assumptions to make." Thumbs up! (Ironically, Mankiw himself is criticized for his wrong assumptions and oversimplifications.)

The use of assumptions is a very delicate thing – you can throw out the baby with the bath water. Assumptions should also be justified. No wonder that in the literature (not business literature, unfortunately!) much attention is paid to the substantiation of a model proposed and calculations of respective errors.

Further, theories, especially empirical ones, are not universal,

even in exact sciences. Usually they hold only within certain ranges, therefore it is important to know those ranges.

This is a must in domains dealing with deterministic inanimate objects, where the number of possible interplaying factors is finite, and where those factors can often be assessed within some accuracy. But this is not understood in marketing where they deal with the unpredictable human nature and market trends.

Here one should be not just cautious, but arch-cautious.

# Kotler stipulates neither assumptions, nor validity domains.

This is quite hazardous because, misapplied marketing solutions may ruin a project, resulting in enormous financial losses and even a demise of a company.

### Kotler's models

The preliminary title of Kotler's maiden tome was "Marketing Decision Making: A Model Building Approach." Well, adequate models are useful. When estimating a situation and possible consequences of our decisions in our professional activities and in everyday life we actually deal with envisioned models. That is why imagination in a marketer is extremely important.

Sciences too are built on theoretical models (hypotheses) and experimental models. Considering that even the tiniest details of modeling are critical, a busy physicist looks in an article for a substantiation of the model and/or method employed. If he is not happy with the substantiation, he may not read any further.

To a large degree, success or failure of a model is determined by (1) one's understanding of the interplay of respective processes and external factors: if one overlooks something important, things may go haywire; (2) assumptions used and validity domains specified. Hence modeling calls for creativity and honesty.

There is nothing wrong about models in marketing, especially qualitative ones. Well, but what is to be modeled? And how?

We know now that Kotler seems to have never heard about such things as proofs, substantiations, simplifications, assumptions, and validity domains. But this is not his main modeling sin. His models are often irrelevant and/or wrong.

Since real marketing is "done" in the mind of the Client, we should proceed only from the Client and his purchasing decisions. A marketer's success is in many respects determined by the quality of his model of the purchase of a given product.

### Kotler's purchase models are fundamentally wrong.

Kotler's buying models are not about the real unpredictable Client – he is hard to model, whereas *Homo kotlerus* is ideal for Kotler-style modeling. Here is, for instance, how that robot is supposed to buy a product:

"A customer choosing between two value offerings, V1 and V2, will examine the ratio V1/V2."

Where is that *Homo kotlerus* to get the value numbers from, especially if she has never in her life bought a product of that category? Why a ratio, and not a difference?

"She will favor V1 if the ratio is larger than one; she will favor V2 if the ratio is smaller than one; and she will be indifferent if the ratio equals one."

I trust you, dear reader, to use exactly this robotic procedure when shopping. For a lot of other offerings and sub-offerings.

Speaking of market research, its outcome is governed by the quality of the models involved. If developers of research techniques were able to think from the Client's perspective, many research efforts would not be performed at all because of their nil chance to get any meaningful results, while others would be staged differently.

Kotler offers to future marketers a whole host of models without telling them what they could derive from them. Prominent among the still-born models of marketing are 4P, SWOT, PEST, Porter's five forces, Porter's value chain, Boston matrix, and Ansoff matrix. They are discussed in some detail in the paper "Augean Stables of Academic Marketing."

# Mathematics and pseudomathematics

It has been mentioned above that Kotler sort of introduced in marketing not just modeling, but **mathematical** modeling. It is widely believed that Kotler has mathematized marketing and that it is good, allegedly.

Exact scientists know that it is difficult and at times impossible to construct a mathematical model that would give correct results.

Mathematics is a fantastic method, albeit not omnipotent. Math calls for expert and careful application, like the surgeon's scalpel, like atomic energy. If employed correctly and honestly, mathematics can yield a lot of useful information and even lead to discoveries. Misapplied mathematics generates pseudodata. Decisions made on its basis may be disastrous.

The well-known threat of mathematics is "garbage in, garbage out." "Garbage in" is an incorrectly constructed model (equations); some important factors overlooked; coefficients, parameters, etc, taken out of thin air; skewed stats, and so on.

In different domains, mathematics has different importance, applicability, the degree of required accuracy, and also the price to be paid for a disaster resulting from its misuse.

For instance, cash and material flows in economics can often be measured and computed drawing on some reliable statistics. But even here things are not as simple as that. The world's economy is currently in shambles thanks to the impressive alchemy of "derivatives" concocted by three Nobel Prize winners using involved mathematical models.

Economics is mired in mathematical scholasticism. Robert Heilbroner maintains that "Mathematics has given economics rigor, but alas, also *mortis*." Kotler was instrumental in transferring that *rigor mortis* to the vibrant craft of marketing.

Unlike economics, cliento-marketing deals with people, or rather with their impressions and decisions. Attempts to work out, using formulas, or to measure, using quantitative research, anything involving people nearly always yield meaningless figures.

Businessmen mesmerized by marketing numbers should listen to Einstein: "Not everything that can be counted counts, and not everything that counts can be counted." Marketing is a glaring example of a domain where very much *is* counted that "cannot be counted" in principle! This is, however, ignored by the many compilers of quantitative market research reports.

Dr. Kotler is just fond of "counting" with all sorts of grades,

ratings, scales, scores, weighted and multifactor indexes, and so on. He is a strong believer that a marketer will not survive without attaching some numbers, taken from God knows where, to nearly anything: products, models, segments, and... people.

This is how according to Kotler a robot called Linda purchases a computer:

"Like most buyers (!?), Linda is considering several attributes in her purchase decision, and she gives each a particular weight. She has assigned 40 percent of the importance to the computer's memory capacity, 30 percent to its graphics capability, 20 percent to its size and weight, and 10 percent to its price (*Linda must be a great computer expert!*). To find Linda's perceived value for each computer, we (!?) multiply her weights by the scores indicating her beliefs about each computer's attributes (*Where do we get those funny scores from?*). So for computer A, if she assigns a score of 10 for memory capacity, 8 for graphics capability, 6 for size and weight, and 4 for price, the overall score would be:

0.4(10) + 0.3(8) + 0.2(6) + 0.1(4) = 8

Calculating the scores (Who is to do that?) for all of the other computers that Linda is evaluating would show which one has the highest perceived value. This is critical, because a manufacturer who knows how buyers evaluate alternatives and form preferences can take steps to influence buyer decisions. In the case of computers, a manufacturer might redesign the computer (a technique called real repositioning), alter consumer beliefs about the brand (psychological repositioning), alter consumer beliefs about competitors' brands (competitive depositioning)."

And please, gentlemen, don't ask our guru your irrelevant questions about how the marketer learns the percentages and scores; where our *Homo kotlerus* Linda gets her weights from; why she proceeds from brands, and not from her perceived computer tasks, etc., etc. In a word, do not disturb the elegance of that scholastic discourse.

It is too sad that academic marketers read this all without a shade of doubt. It is sadder still that they make hapless students read this fantastic profanation of the way people arrive at their purchase decision.

Kotler is dead sure that anything can be measured.

"Advertisers should try to measure the communication effect of an ad – that is, its potential effect on awareness, knowledge, or preference – **as well as the ad's sales effect.**"

"...as well as" – That's great! But who needs to bother about such a trifle as sales! It looks like our professor has never in his life opened a decent book on advertising, let alone produced a single advert that sold anything.

By rights, Kotler can be regarded as the founder of marketing book-keeping. He goes overboard to stuff his texts with calculations of all sorts of expenses, prices, etc., such as "...analyze the ROI of marketing by dividing the pure contribution of marketing (computed by subtracting the total variable expenses from the total revenue) by marketing expenses."

I leave it to the reader to do the computations and to assess their practical value. I was intrigued by the very possibility to work out "the pure contribution of marketing," e.g., of a good recommendation scribbled "on a napkin" in the bar.

Well, even if your numbers are correct, there is still the issue of their usefulness. Apple Computers's ex-CEO John Sculley confided that "no great marketing decisions have ever been made on quantitative data."

Prof. Oren Harari teaches: "Don't ever let the numbers re-

place entrepreneurship based on hands-on feel for the market. If numbers alone were adequate for business decisions, software would replace leadership. Thank goodness that's not the case."

But Kotler would strongly disagree with that.

# **Pseudomarketing journals**

In the West there are hundreds of "scientific" marketing journals. I have no way of knowing to what extend Kotler has supported that literature of marketing alchemy, but I am more than confident that any of these journals will publish any whim of Professor Kotler's at the drop of a hat.

Academia, Kotler included, could not care less that this literature interests nobody except for marketing professors, those "clients" of our guru.

Peter November authored a paper with the singular name "Seven Reasons Why Marketing Practitioners Should Ignore Marketing Academic Research [4].

### Practitioners do not read academic journals.

The reasons are twofold: (1) the topics discussed therein have nothing to do with real life; (2) the language of the texts is only up to their authors.

November writes: "An article with the title 'Aspects of Chi Square Testing in Structural Equation Modeling' and published in the Journal of Marketing Research would be regarded as much more valuable... than... 'How to Make Your Web Site Irresistible' in the Marketing Magazine."

The first paper will at best be read by a couple of professors; the second, by dozens of businesspeople. But who cares.

Idiocy? Yes. But there is a reason behind that.

How is the caliber of a marketing teacher assessed in Western universities? By the level of preparedness of his alumni for work in real business? By no means.

Remember the letter cited above: "The university system is a self-sustaining political monster that has a limited interest in really preparing the students for the reality of the business world... has little regard for practicalities... Form is more important than substance."

It is no wonder then that universities have found nothing better than to gauge their teachers by the number of papers they publish in "serious" journals. Among other things, this accounts for marketing education in the world being so scholastic.

What do you think would happen with those journals if marketing teachers would be rated by the quality of their teaching, as they should be? And how would that affect that quality?

### Marketing or marketing management

Guess what it is: "Process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals."

Read into every word of that economic text. This is a definition of the so-called "marketing management."

Who manages what? Looks like somebody manages marketing. But what are we supposed to make of "marketing management of company/tourism/exhibitions," etc.

Many "academic" definitions of marketing include the words

management or managerial:

"A social and managerial process by which..."

"The management process responsible for ... '

In other words, Kotler proposes to manage a managerial process (function). What for? Perhaps that looks prettier to him?

Further, if Kotler views marketing as a science, he should find out whether there are in existence such linguistic wonders as physics management, chemistry management? And if professors of management also regard their discipline as a science, we will get management management.

Well, any field (even a science) needs some administration, but hardly a description of its principles takes up hundreds of pages, and in a book of fundamentals at that. It may appear that Kotler sort of understands that, because his books are called now "marketing," now "marketing management."

It would be logical to suppose that his books on "marketing" talk about marketing, while others about "management." Nothing of the sorts! So, in the book "Marketing Essentials," 2007, "marketing" proper, or rather several definitions (needs, wants, demand, products, exchange, deal, market, marketing), occupies all of 10 pages. (In "Principles of Marketing" even less.) Then Kotler blithely plunges into his favorite "management of marketing." But where is marketing, Professor?

Also, there is "Framework for Marketing Management." Perhaps, Kotler should also produce "Fundamentals/Foundations of the Framework for Marketing Management"?

If Kotler's writings contain no marketing, it is unclear what he wants to manage. Maybe, in this case "management of pseudomarketing" or "pseudomanagement of pseudomarketing" would be better.

### Strategic planning

Marketing plans and strategies are a beloved subject for Kotler and Kotleroids. If they had worked a decade or so as practical marketers, they would have learned that in a practitioner's unpredictable life not much can be planned.

Levitt said: "Strategic planning can be mechanistically, and therefore incorrectly, defined as deciding how to allocate resources among the possibilities of what's to be done. This definition is incorrect, because it presumes that these possibilities are self-evident. They are not." By definition, not very much is self-evident in marketing.

One of the commandments of pseudomarketers in the "MBA code of practice" proposed by Piercy (see below) reads: "Thou shall spread the message that plans and systems matter more than doing things." Devotees of planning and strategizing should remember Winston Churchill's words: "However beautiful the strategy, you should occasionally look at the results."

And how splendidly Kotler plans!: "Once the company has performed a SWOT analysis of the internal and external environments, it can proceed to develop specific goals for the planning period in a process called goal formulation." In other words, the future of a company is made to hinge on a primitive SWOT analysis that is only fit for a rough assessment of a situation.

By the way, Henry Mintzberg believes that SWOT is the main cause of what is considered an excessive formalization of the strategy making process. One expert said that he preferred to spell out SWOT as a "Significant Waste of Time." (See "<u>Augean Stables of Academic Marketing</u>")

# Kotler's books

Kotler has rolled out dozens of books. Their abundance causes a huge mess. A layman who needs a good introduction to marketing (not marketing management) will gaze at the names dumbfounded: "Marketing," "Marketing Essentials," "Principles of Marketing," "Kotler on Marketing," "Marketing: An Introduction," "Marketing Insights," and so on. Well, if only somebody hints to that poor devil that under all of these covers he will find basically the same text: 90% of economics and sort-of-management + 10% of marketing, sort-of-marketing and pseudomarketing.

Our guy will be better off if advised to read Drucker, Levitt, Abraham, and even Hopkins instead.

In recent years, Kotler has laid back a bit and began to rely more and more on co-authors, although a shade promiscuously. There is no lack of candidate co-authors – they are happy to hide behind the broad back of a recognized "guru." There is no knowing whether Kotler reads the books he sort of co-authors. Among these co-produced opuses I have only read "Marketing of Nations" and "Lateral Marketing." To put it mildly, they do not make honor to "the father of marketing."

Kotler's literary exploits remind me of Leonid Brezhnev with his three "masterpieces" ghosted by a couple of Soviet journalists. The print of each book was 15 million, which propelled Brezhnev to the USSR's literary Olympus. It was rumored that the General Secretary himself had even read one of "his" books.

Kotler rode the wave of his success and turned it into a fantastic publishing gesheft: more than 3 million copies of his books in 20 languages have been sold in 58 countries.

Businessman Kotler has been helped by his "agents," marketing professors. They make students to cough up around \$100 for a next "brick," and its price is growing steadily. Students are not happy with that, but who cares.

There are three ways to boost one's profits from books:

- To issue old texts under new titles;
- To issue new editions;
- To raise prices of books by inflating the volume and/or introducing color.

Kotler is a consummate master of all of these procedures. The first two ones are connected with the above-mentioned fussiness; the third method, especially book volumes, is worthy of a special discussion.

It is to be noted that a treatment of the essentials of clientomarketing does not need much book space. Books by clientomarketers are generally thinnish and inexpensive. But that does not suit businessman Kotler.

Kotler has borrowed from economics not only methodology and approach, but also its bizarre ideas of the brevity of texts. The above-mentioned Gregory Mankiw, the author of the 784-page book "Principles of Economics," admires the amazing brevity of his piece because traditional texts are hundreds of pages thicker.

The main Kotler's tome "Marketing Management" became a bit slimmer only once. "Publisher concerns about length and classroom usability resulted in the third edition, published in 1976, being pared down to 496 pages... He would later reincorporate much of the material left on the cutting room floor in the fourth edition [1]." Ever since his child has only grown in weight. And in price.

Writer Kotler knows many ways to boost volume. One can, for instance, play at "sort-of-practicality." Kotler likes to dilute

his "fundamental" texts with supposedly practical points. For example, Kotler, who has hardly produced a single virtual page in his life, may teach readers how to create banners, floating windows and other Internet technicalities. As mentioned above, he also loves to include dozens of accountant's calculations.

But there is a more promising way to pad out a marketing text. It deserves a closer look.

## **Definitions**, classifications, schemes

Before you open any book by Kotler, browse at least 100 pages of a book on economics. You will notice much similarity in everything, including an abundance of definitions, classifications, graphs, and schemes. Kotler borrowed all of those tools for his books.

On each page you are bound to find some definitions. And of what caliber!

"Two parties are engaged in exchange if they are negotiating – trying to arrive at mutually agreeable terms. When an agreement is reached, we say that a transaction takes place"

Take a breather and go on:

"A transaction involves at least two things of value, agreedupon conditions, a time of agreement, and a place of agreement. Usually a legal system exists to support and enforce compliance among transactors."

It appears that:

"A transaction differs from a transfer. In a transfer, A gives a gift, a subsidy, or a charitable contribution to B but receives nothing tangible in return. Transfer behavior can also be understood through the concept of exchange."

Have you jotted that down?

Such wisdoms occupy hundreds of pages.

Well, definitions may be useful. Say, a special term "reference group" may need a definition, but why define the obvious. So, if you do not know what satisfaction is, here is a neat definition for you:

"The buyer's satisfaction with a purchase is a function of the closeness between the buyer's expectations and the product's perceived performance."

Having experienced this satisfaction, you may deepen it by savoring definitions of the following words: trend, relationship, perception, way of life, industry, market, quality, and so forth.

And all of that is meant for MBA readerships!

I liked this gem: "Products and services are platforms for delivering some idea or benefit to satisfy a core need."

When you buy some bread, remember that you also buy some platform, and so on. That's Dr. Pangloss for you!

Kotler just loves to think up some new words. Stephen Brown says: "Kotler has spawned more neologisms than you can shake a stick at (meta-marketing, turbo-marketing, demarketing, etc.) [2]." Further ones are: marketing hyperopia, marketing nerve, atmospherics, social marketing, place marketing, etc., etc.

It is intriguing to read about a need to calculate "customer lifetime value." Lovers of branding fantasies will derive kicks from this: "A brand is an offering from a known source" (e.g., from a hot-dog stand round the corner).

It goes without saying that Kotler churns out dozens of phrases beginning with "marketing": marketing *concept*, marketing *environment*, marketing *tool*, marketing *process*, marketing *channel*, marketing *logistics*, marketing *opportunity*. The last term Kotler defines thus:

"Marketing opportunity is an area of buyer need in which a company can perform profitably. Opportunities can be classified according to their attractiveness *and* their success probability."

Fantastic! In other words, there may be an attractive opportunity with a low success probability.

Kotler has an obsession with classifications. As one reviewer noted: "Kotler's writing style could be described as a list of lists. Each topic is parsed into its elements and he then recites all possible attributes." He classifies everything around him: 10 types of marketing entities, 10 major themes of marketing, 10 kinds of profit from a site, 5 "key processes of business," 7 responses of suppliers, 8 sections of a marketing plan, 8 organizational factors of a purchasing department, 9 market share expansions, 7 bases for segmenting, 6 pricing objectives, 9 reasons why price sensitivity of customers lowers. And so on and so forth. Nearly on every page.

What can be said about classifications (lists)? They are of use only in two cases:

- 1) When a person is supposed to have the list in front of his eyes at the right time. Examples are checklists. The number of items in them is unlimited they are not to be remembered.
- 2) When an average person should remember the list. It should be short then.

In all the other cases lists are useless or as good as useless, like the overwhelming majority of Kotler's lists. Most of them serve only one purpose – to introduce unnecessary terminology or to tell some banalities. One example:

"For exchange potential to exist, five conditions must be satisfied:

- 1. There are at least two parties.
- 2. Each party has something that might be of value to the other party.
  - 3. Each party is capable of communication and delivery.
  - 4. Each party is free to accept or reject the exchange offer.
- 5. Each party believes it is appropriate or desirable to deal with the other party."

Thank you, Professor.

Even the small topic of the corporate mission supplies to Kotler an excuse to introduce a classification: "Good mission statements focus on a limited number of goals, stress the company's major policies and values, and define the company's major competitive scopes." Then one finds a page-long list of those "scopes."

And here is an exemplar of a "good mission": "To honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by so doing provide the opportunity for our employees and shareholders to achieve their reasonable personal objectives."

A remarkably rare mission, isn't it? You must have already twigged that such a mission is only up to Motorola, of all the companies.

Many lists contain wrong statements. It is especially sad when it concerns fundamentals.

# Assessment of Kotler's activities

Drucker said: "There is nothing so useless as doing efficiently that which should not be done at all." With Kotler, we should

talk not so much about uselessness, but rather about the harm he has caused to marketing theory, marketing literature, marketing education, and, most important, to marketing practice.

He once said, "If people call me the Father of Marketing then Peter Drucker must be called as the Grandfather of Marketing." Yes, Drucker and Levitt can, with good reason, be referred to as founders of cliento-marketing. As to Kotler, he can be dubbed the father of economo-marketing, or rather of pseudomarketing. And so, he cannot be a child of cliento-marketers!

Some maintain that Kotler has allegedly enhanced the legitimacy of marketing. But of what "marketing," and in the eyes of who? It is believed that his making marketing more scientificlooking has imparted university marketing more legitimacy on the campus. This is a delight for Kotler's main clients – marketing teachers. But the prestige of marketing as a business-function has been declining in recent years to the extent that some began to talk about the end of marketing.

Who is to blame for that? In the Internet there is some criticism of "Kotlerian" marketing. Vehicles of that marketing to business are an army of Kotleroids produced by universities and business schools.

## Kotler and marketing education

Pondering on marketing education, I remember Einstein's words: "It is nothing short of a miracle that modern methods of instruction have not yet entirely strangled the holy curiosity of inquiry." Unfortunately, in marketing "modern [Kotleresque, Kotlerian, Kotleroid] methods of instruction" have accomplished that nearly completely. However, in marketing "the holy curiosity of inquiry" is especially needed.

W. Adkins was right: "That is not knowledge stored up as intellectual fat which is of value, but that which is turned into intellectual muscle." Ability to grow intellectual muscle to students is a rare gift. Theodore Levitt was amply endowed with it, according to his former students. Sadly enough, most of "knowledge" from Kotler is not even intellectual fat.

In one poll of marketing majors "the term 'Kotleresque' was used more than once to denote a mechanistic form of learning that was seen as too dominant. [1]." Rote-learned knowledge evaporates quickly. Says Scott Armstrong of Wharton: "Ask students to describe the most important things they learned from the textbook in a recent marketing principles course. I have tried this and few are able to think of anything. Those that do, say things like the 4 P's, positioning, and segmentation." – Good guys for practical business, eh? Some idea of their qualities gives the "MBA code of practice" supplied by Nigel Piercy of the UK in his book "Market-Led Strategic Change":

- Thou shall never smile again.
- Thou shall dedicate thy career to being a boring, humorless jerk, for is this not how thy professors are molded?
- Thou shall spread the message that plans and systems matter more than doing things.
- Thou shall live by the dictum that those things which cannot be measured precisely and validly to six decimal points, simply do not exist (little things like customer satisfaction and customer value shall not trouble thee...)
- Thou shall dedicate thyself to driving the creative and unconventional people out of thy organization, for do not they deserve to be in an agency somewhere, where they can do no harm?

- Thou shall worship at the alter of bureaucracy, for is not the neatness of the organization chart a measure of thy true worth?
- Thy mission is to attend meetings for the rest of thy life, for is not the number of such meetings a measure of thy productivity?

I bet you see many guys like that around.

The above-mentioned sorry statistics from Spencer Stuart betokens the way business reacts to such robots.

# **Marketing teachers**

Those glamorous robots are being produced by thousands of professors – this business is believed to be worth \$1.5 billion. It looks like most of teachers do not understand their responsibility to practical marketing and economy in general.

Unable to teach the essence of creative marketing, they teach formalism. There is nothing better suited for this than Kotler's books. Why bother – just give students an assignment to read a further chapter from some Kotler's text for the next class. This is up to anybody, even to a former teacher of Bolshevik economics, who years ago was successfully castigating rotting capitalism.

Kotler is just a God's gift to those who can only "teach theory, structure and systems, not creativity" (Nigel Piercy), and to those who do not care about the extramural applicability of those theories.

Many teachers seem to have never heard of some other "marketing" – they themselves were taught from these texts. Some write text-books that are more Kotleroid than those by the Master himself.

### If Kotler were a guru

Kotler is often referred to as a guru. But a real guru is averse to fussiness and opportunism. A guru is an honest and scrupulous arbitrator and educator.

If Kotler were a guru, he would sieve out workable ideas from scholastic bullshit that dominates academic texts; he would identify the main and fundamental.

He would give well-reasoned and tested recommendations, would delineate the range of their applicability, and would forewarn not to apply precepts in irrelevant situations.

He would care about the student who is to muddle through the tangle of motley teachings trying desperately to remember anything.

He would prepare a cohort of creative teachers, who would imbue their students with creativity in practical marketing.

He would... one can go on no end.

### Specter of Kotlerism

Steven Brown made a peculiar statement: "Philip Kotler and Karl Marx are indistinguishable, interchangeable, inseparable... A specter is haunting Europe, the Specter of Kotlerism."

My first reaction was shock. My second thought was that Brown is not that wrong: both have set out theories most of which appeared to be just ivory tower exercises.

Marx's and Kotler's teachings have one thing in common – they are or were believed blindly. Some idea of the reasons behind that comes from the phenomenon of the so-called Blatant Nonsense Effect, which is explained thus – a reader comes across a blatant stupidity written by a venerable author. For example, Marx's idea that surplus value is earned not when selling

a product but rather right during the process of production. Why sell then?

The unsophisticated reader faces the dilemma: to accept that nonsense as an article of faith, having suppressed his inacceptance; or to reject it. Normally they accept – it is simpler that way. Also, it is the blatant nonsense effect that seems to account for the abundance at Amazon.com of five-star reviews from academics. In contrast with them are the few reviews of practitioners cited above.

As to the specters, we do know the fate of the specter of Communism. Hopefully, the same is in store for the specter of Kotlerism

Kotler's story reminds Hans Christian's fairy-tale "New Emperor's Clothes": for decades all and sundry preferred not to see that the "Emperor" is naked.

# What's next? Quo vadis?

Besides their "thrilling" literal accomplishments, Kotler and Brezhnev have a further thing in common. A saying goes: suite makes a king. Brezhnev was convenient to the thousand-strong Party bureaucracy. Kotler is convenient to the educational bureaucracy.

If the professorial "suite" foregoes Kotlerism, that malady may cure of its own accord. It looks like some conscientious teachers begin to realize that teaching Kotleroid marketing is a way to nowhere. Dr. Robert Tamilia, University of Quebec at Montreal ventures a cautious opinion: "We have been teaching marketing "his way" for the past 35 years. I feel it's about time for a change." Right on, dear doctor. Some are changing already.

Of interest are client-oriented curricula of the UK's Open University, books and curricula of some teachers from the UK, Australia, and New Zealand. Even in the US some dissidents make their appearance among the teachers.

With the passing of Peter Drucker and Theodore Levitt their ideas are not forgotten. Thank God, client-orientation is being talked about more and more, and not only at the level of lip service. The importance of marketing thinking from the Client perspective is being recognized by some academia and many practitioners.

Tom Peters: "Make a customer-obsessed revolution. Routinely look at the smallest nuance of the tiniest program, policy and system through the customer's eyes – that is, as the customer perceives it, not you."

"Training in creativity is important, in general. But it is absolutely essential in this age of intangibles and intellectual capital."

Prabhu S. Guptara: "There is a distinction between the *philosophy* of marketing and the *techniques* of marketing... the first can make sense; but the second makes no sense in any circumstance."

"Fundamentally, marketing is an attitude of mind which is appropriate for everybody in business – and, indeed, in any other sort of work."

Anthony Brown of IBM (1995): "There are now two types of corporation: those with *a marketing department* and those with *a marketing soul*... the latter are the top performing companies, while the former, steeped in the business traditions of the past, are fast disappearing."

John Sculley: "Marketing is... an attitude, a way of thinking. A good marketer has to be conceptually intuitive, to look for different points of view to solve old problems. One has to see the world differently... One also has to be incredibly resourceful in searching for different perspectives... Some of the best marketing comes from people who lack a marketing background but who are simply good thinkers."

Nigel Piercy: "When did we forget about creativity in marketing and strategy?"

Cliento-marketers, strangely called "account planners," return to some advertising agencies. We witness the growth of the popularity of "client observation," "naïve listening," "mystery shopping," and other client-oriented approaches. Also grows the number of texts by cliento-marketers.

### **Kotler in Russia**

Russia, a huge quilt of peoples, religions, mores, buying habits, per-capita incomes, distribution infrastructures, with its huge distances, low population density, lack of market experience after generations of the Soviet rule, and a shortage of skilled salesforce, is a classical marketing country.

# Russia needs fine marketing more than the West.

Early Russian businessmen, reared in a seller's economy, found themselves in a shocking situation – they had to "sell." For that, so they learned, they need a fancy thing called "marketing."

Many Russians got acquainted with what they think to be marketing from translations of some Kotler's books and from Kotleroid teachers. No wonder that many Russian businessmen now deem marketing to be a huge load of irrelevant bullshit. Wholesale firings of marketing departments are not unheard of in Russia.

It appears that the influence of Kotler on university marketing in Russia is more profound than in the West. What endears Kotler's "teachings" to post-Bolshevik souls of many Russian teachers is the convenient dogmatism and no need to prove anything – Russian teachers seem to be the most Kotleroid among all educational Kotleroids.

But there are pluses as well. Fortunately, there are no scholastic marketing journals in Russia. The level of Russian marketing teachers is not assessed by the number of their publications.

How should marketing be taught to Russians, half-Asians – half-Europeans? In his poem "Scythians," the Russian poet Alexander Blok wrote:

Yes, Scythians we are, and Asiatics, With slanting and devouring ogles.

. .

We worship all – the flames of icy digits And gifts of the angelic visions, We fathom all – the spicy Gallic spirit, And ominous Germanic genius...

I do hope that eventually Russia will develop its own Eurasian marketing school of thought. It will embrace the creative best of the two worlds: the intuitive East and the rational West.

But without Professor Kotler, if you please!

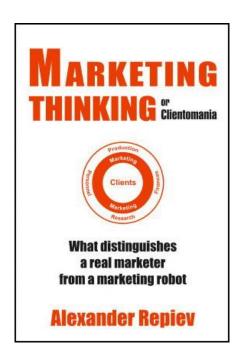
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# **Alexander Repiev**

www.repiev.ru www.mekka.ru info@horses.ru

+7 (499) 194-52-21



Abstract and TOC.

The **book** At Amazon.com

I have drastically reworked the book for its second edition. I can send the electronic version of the text for comments.