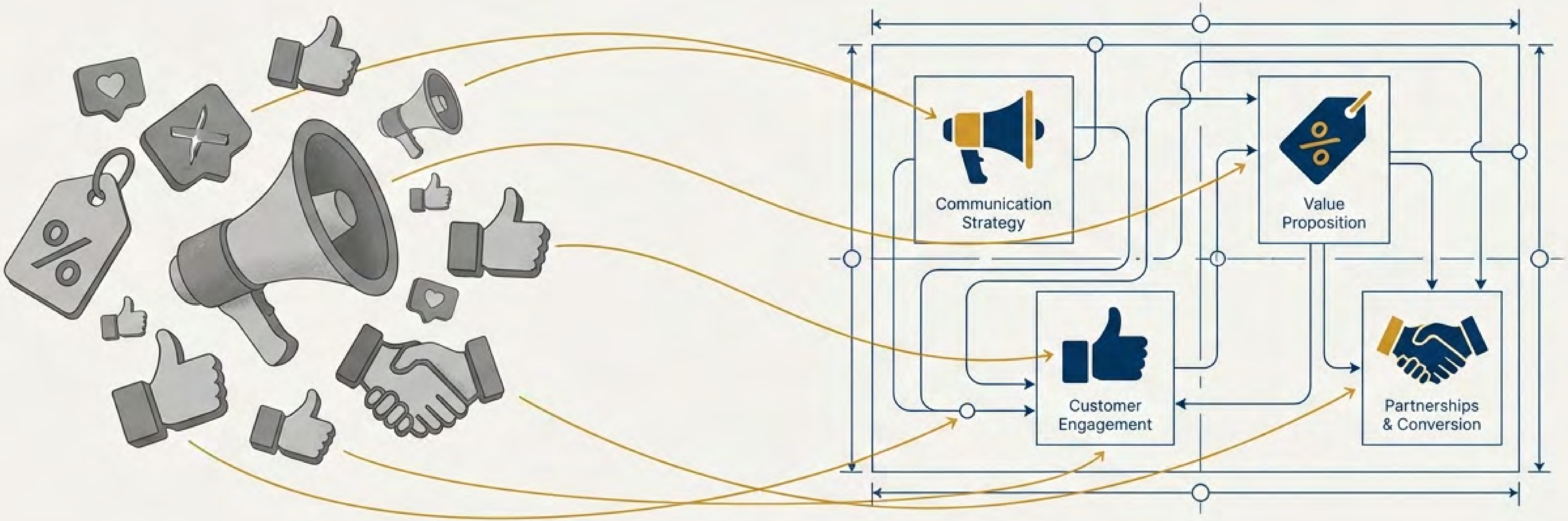
Marketing Is Not What You Think It Is

A Strategic Framework for Value Creation and Growth



Most Organizations See Marketing as a Collection of Tactics

Marketing?

Sales

'Just selling more things to more people.'

Communications

'It's all about advertising and social media.'

Promotions

'Running discounts and special offers.'

Communication and Discounts are Tools, Not the Entire Toolbox.

The Advertising Trap

Viewing marketing as just communication (ads, PR, social media) to inform and persuade. This ignores marketing's role in *shaping the offering* that is later communicated.

The Promotions Trap

Equating marketing with sales promotions (discounts, coupons, rebates) to sweeten a deal. This overlooks marketing's role in *creating the inherent value* of the products being promoted.

Focusing on these visible tactics prevents companies from harnessing marketing's full potential. A cohesive strategy must integrate these tools, not be defined by them.

The Goal Isn't to *Sell* a Product. It's to Create a Product That *Sells*.

SELLING

Starts *after* a product is developed. Its focus is on moving existing inventory.

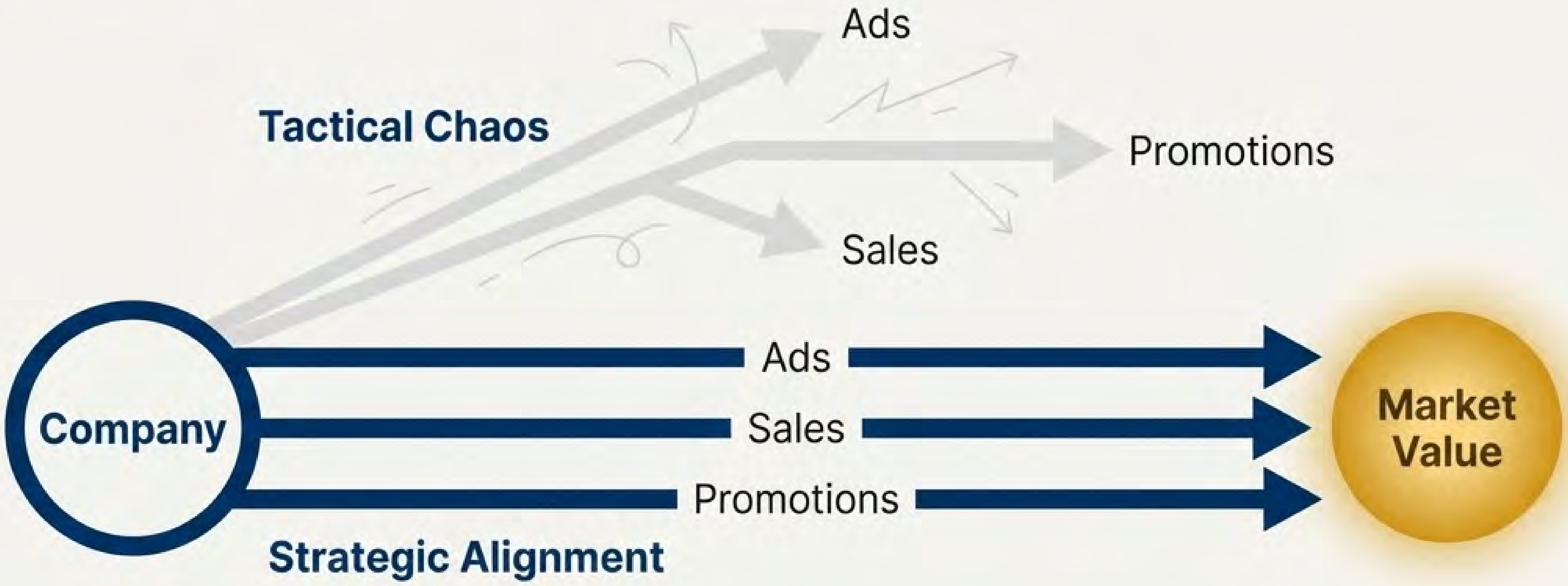
MARKETING

Starts *long before* an offering exists. It continues through the customer's entire experience, including use, service, and repurchase. The product is the *result* of marketing, not the starting point.

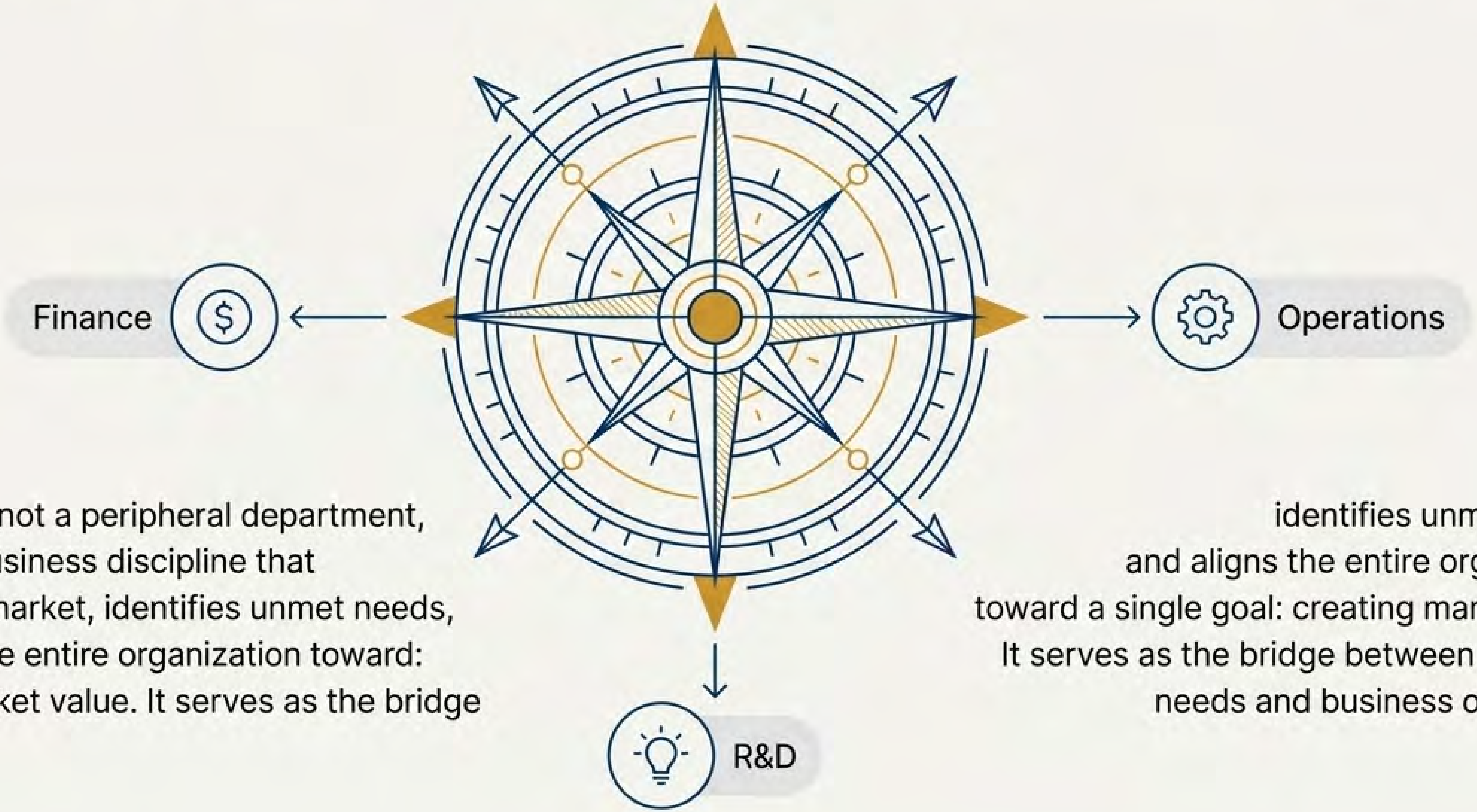
'The aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself.' — Peter Drucker

The Tactical View Prevents Companies From Harnessing Marketing's True Potential

This narrow perspective confines marketing to tactical tasks, ignoring the need for a cohesive strategy. This failure prevents the business from developing offerings that create genuine, sustainable value for customers, the company, and collaborators.



Marketing Is the Strategic Discipline of Creating Value



Marketing is not a peripheral department, but a core business discipline that defines the market, identifies unmet needs, and aligns the entire organization toward: creating market value. It serves as the bridge

identifies unmet needs, and aligns the entire organization toward a single goal: creating market value. It serves as the bridge between customer needs and business objectives.

The Value Creation Process is a Four-Part Cycle.

1. Understand Value

Identify an unmet customer need that the company can address better than competitors, while creating value for itself and its collaborators.

2. Design Value

Develop the offering by creating the product/service, defining the brand, setting the price, and deciding on promotions.

3. Communicate Value

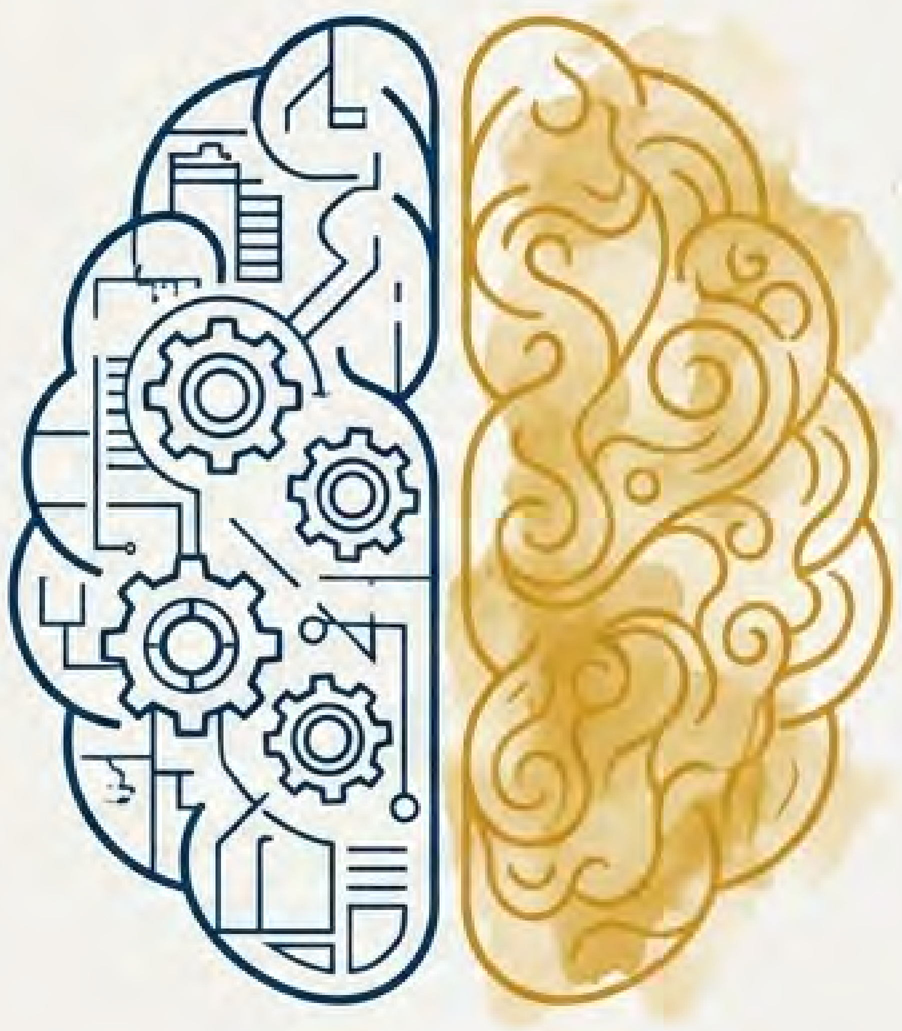
Inform target customers, collaborators, and internal stakeholders about the offering.

4. Deliver Value

Ensure the offering reaches target customers through optimal distribution channels.

The Core Definition: A Union of Art and Science

Marketing is the art and science of creating and managing successful value exchanges.



The Science

A body of knowledge and general principles distilled from analyzing successes and failures over time.

The Art

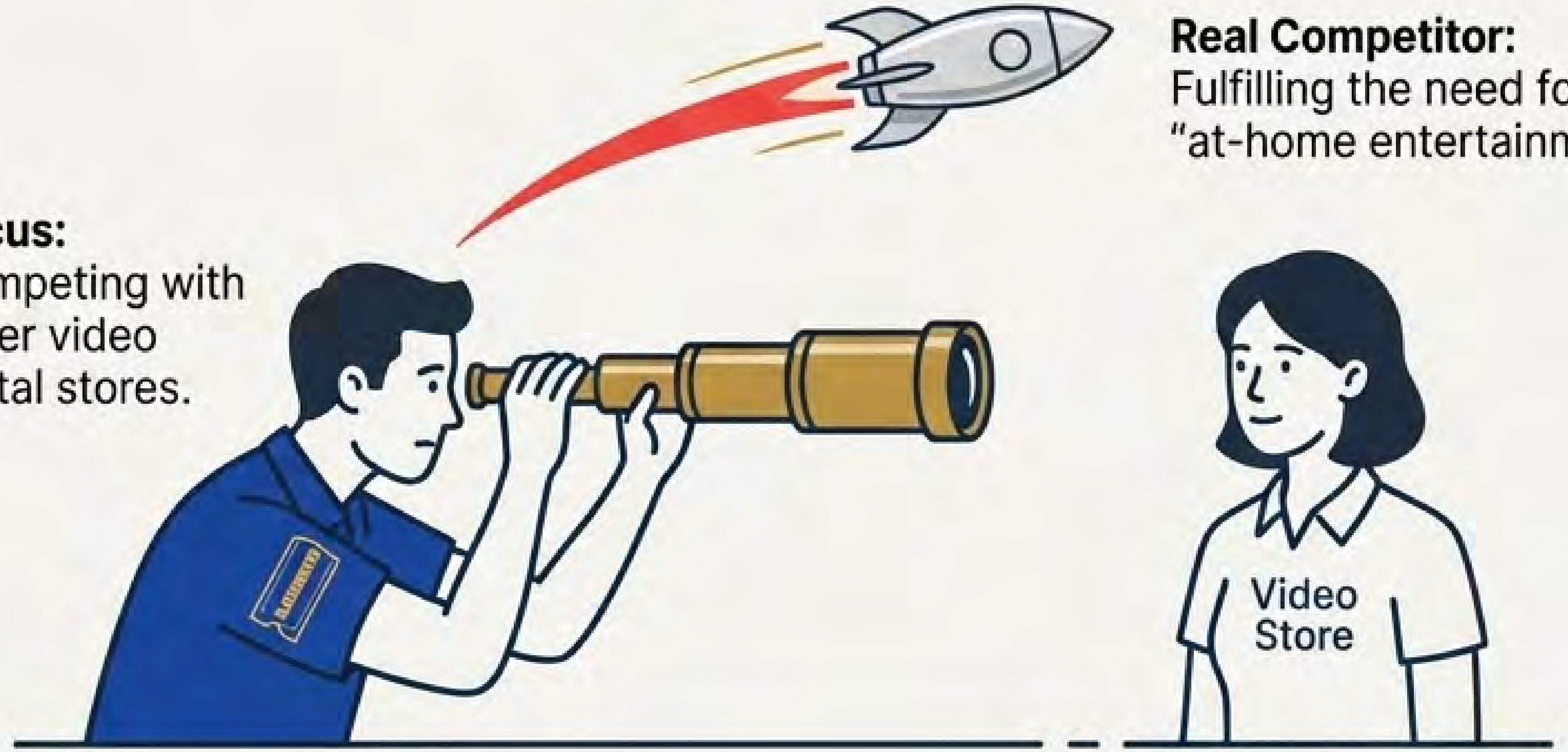
Relies on creativity, imagination, and the vision to recognize unmet customer needs. (e.g., King Gillette, Ray Kroc).

Marketing and Innovation are the Twin Engines of Business Growth

'Because the purpose of business is to create a customer, the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.' — Peter Drucker

The Market Is Defined by Customer Needs, Not by Your Products or Industry

Companies that define their markets by products risk becoming obsolete when superior solutions emerge. **The core customer need** remains, even as technologies change.

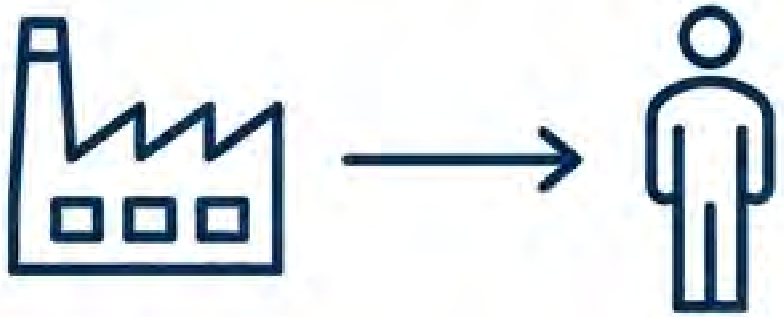


A Similar Myopia

Coca-Cola focused on the "carbonated soda" industry, missing opportunities in the broader "nutrition, energy, and hydration" market captured by Gatorade, Red Bull, and others.

Value Creation is the Goal in Three Core Markets

Business-to-Consumer (B2C)



Offerings designed for individual customers as end users.

(Examples: Procter & Gamble, Unilever, Nestlé)

Business-to-Business (B2B)

Offerings where the customers are other businesses.

(Examples: Intel supplying manufacturers, Bosch supplying automotive companies)

Consumer-to-Consumer (C2C)

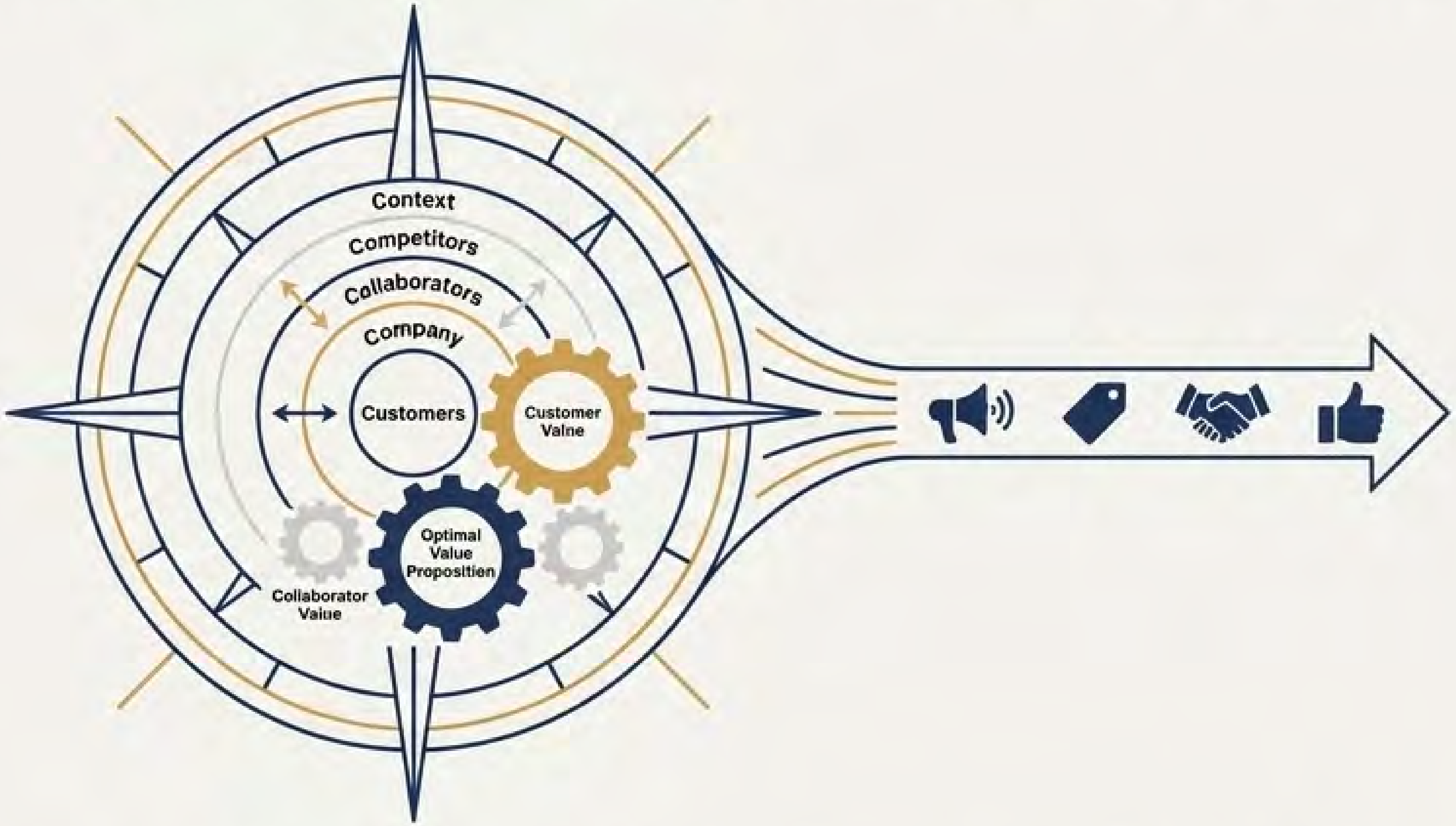
Companies facilitating value exchanges between individual customers.

(Examples: Platforms like Airbnb, Uber, eBay)

The core marketing principles and frameworks are applicable across all three market types.

Marketing Is a Mindset, Not a Department

We've shifted our perspective from marketing as a set of disconnected tactics to a central, **strategic discipline** focused on **value creation.** The 5-C and 3-V frameworks are the essential tools for navigating the market and building a business that lasts.



"Marketing is far too important to leave to the marketing department. Everyone in the organization has to make decisions based on the impact on the customer."

— David Packard, Co-founder of Hewlett-Packard

The Shift from Tactical Afterthought to Strategic Foundation

THE OLD VIEW (Tactical)

- **Focus:** Selling existing products
- **Scope:** A single department
- **Tools:** Ads, promotions, sales
- **Role:** A cost center

THE NEW VIEW (Strategic)

- **Focus:** Creating market value
- **Scope:** An organizational mindset
- **Tools:** A comprehensive process
- **Role:** A growth engine