The Major Tasks of Marketing Management

Eight different types of demand situations dictate marketing strategy.

The popular image of the marketer is that he is a professional whose job is to create and maintain demand for something. Unfortunately, this is too limited a view of the range of marketing challenges he faces. In fact, it covers only two of eight important and distinct marketing tasks. Each task calls for a special type of problem-solving behavior and a specific blend of marketing concepts.

Marketing management may be viewed generically as the problem of regulating the level, timing, and character of demand for one or more products of an organization. The organization is assumed to form an idea of a desired level of demand based on profit maximization, sales maximization subject to a profit constraint, satisfying the current or desired level of supply, or some other type of analysis.

The current demand level may be below, equal to, or above the desired demand level. Four specific demand states make up underdemand: negative demand, no demand, latent demand, and faltering demand. Two specific demand states make up adequate demand: irregular demand and full demand. Finally, two demand states make up overdemand: overfull demand and unwholesome demand.

These eight demand states are distinguished primarily with respect to the level of current demand in relation to desired demand; although two additional factors, the timing of demand (irregular demand) and the character of demand (unwholesome demand), are also important. The set of demand situations is fairly exhaustive and the order fairly continuous.

Each demand situation gives rise to a specific marketing task. Negative demand results in attempts to disabuse it; no demand, in attempts to create it; latent demand, in attempts to develop it; and so on.

All of these tasks require a managerial approach consisting of analysis, planning, implementation, organization, and control. Furthermore, they all utilize the two basic steps of marketing strategy development: defining the target markets and formulating a marketing mix out of the elements of product, price, promotion, and place.

In these respects, all of marketing management has a unity, a core theory. At the same time, the eight tasks are not identical. They involve or emphasize different variables, different psychological theories, different managerial aptitudes.

Negative Demand

Negative demand might be defined as a state in which all or most of the important segments of the potential market dislike the product and, in fact, might conceivably pay a price to avoid it.

Negative demand, far from being a
rare condition, applies to a rather large number of products and services. Vegetarians feel negative demand for meats of all kinds. Some Jews and Arabs feel negative demand for pork. People have a negative demand for vaccinations, dental work, vasectomies, and gall bladder operations. A large number of travelers have a negative demand for rail travel. Places such as the North Pole and desert wasteland are in negative demand by travelers. Atheism, ex-convicts, military service, and even work are in negative demand by various groups.

The challenge of negative demand to marketing management, especially in the face of a positive supply, is to develop a plan that will cause demand eventually to equal the positive supply level. We call this marketing task that of conversional marketing.

Conversional marketing is one of the two most difficult marketing tasks a marketer might face. The other is countermarketing. The marketer's chief task is to analyze the sources of the market's resistance, whether they lie largely in beliefs about the object, in the values touched upon by the object, in the raw feelings engendered by the object, or in the cost of acquiring the object.

If the beliefs are misfounded, they can be clarified through a communication program. If the person's values militate against the object, the object can be put in the framework of other possible values that are positive for the person. If negative feelings are aroused, they may be modifiable through group processes or behavioral therapy. If the costs of acquisition are too high, the marketer can take steps to bring down the real costs. The marketer will want to consider the cost of reducing resistance and whether some other marketing opportunity might be more attractive and less difficult.

No Demand

There is a whole range of objects and services for which there is no demand. No demand is a state in which all or important segments of a potential market are uninterested or indifferent to a particular object.

Three different categories of objects are characterized by no demand. First, there are those objects that are perceived as having no value. Examples would be urban junk such as disposable Coke bottles, old barbed wire, and political buttons after the election.

Second, there are those familiar new objects that are recognized to have value but not in the particular market. Examples would include boats in areas not near any water, snowmobiles in areas where it never snows, and burglar alarms in areas where there is no crime.

Third, there are those new unfamiliar objects that face a situation of no demand because the relevant market has no knowledge of the object. Examples include trinkets of all kinds that people might buy if exposed to them, but do not normally think about or desire.

The task of converting no demand into positive demand is called stimulational marketing. Stimulational marketing is a tough task, and the marketer can proceed in three ways. One is to try to connect the object with some existing need in the marketplace. Thus, antique dealers can attempt to stimulate interest in old barbed wire on the part of those who have a general need to collect things.

The second is to alter the environment so that the object becomes valued in that environment. Thus, sellers of motor boats can attempt to stimulate interest in boats in a lakeless community by building an artificial lake. The third is to distribute information or the object itself in more places in the hope that people's lack of demand is really only a lack of exposure.

Stimulational marketing has drawn considerable attack from social critics. The latent demand situation might be more attractive and less difficult.
and air conditioners were adopted slowly at first because people were not convinced that these products could do the job or were worth the price.

The process for effectively converting latent demand into actual demand is that of developmental marketing. The marketer must be an expert in identifying the prospects for the product who have the strongest latent demand and in coordinating all the marketing functions so as to develop the market in an orderly way. In contrast to the substantial social criticism directed at stimulational marketing, most observers feel that developmental marketing is not only natural but highly desirable from a social point of view.

There is, however, one important qualification that has come to the surface in recent years. The sheer existence of a personal need may not be sufficient to justify its being served and satisfied. There are needs that people have which, if satisfied, are harmful to others or themselves through spillover effects of consumption. Satisfying those needs may hurt a lot of people’s interests.

Thus, it is not sufficient for a developmental marketer to say that his new product is justified because there is real need for it. He may have to show that the need is salutary and the product will not lead to more social harm than private good.

Faltering Demand

All kinds of products, services, places, organizations, and ideas eventually experience declining or faltering demand. Faltering demand is a state in which the demand for a product is less that its former level and where further decline is expected in the absence of remedial efforts to revise the target market, product, and/or marketing efforts.

For example, the natural fur industry is in deep trouble today as demand declines in the face of the trend toward more casual living, the emergence of artificial furs, and the attacks of ecologists who see the fur industry as preying on endangered species.

Railway travel has been a service in steady decline for a number of years, and it is badly in need of imaginative remarketing. Many grand hotels have seen their clientele thin out in the face of competition from bright new hotels with modern, though somewhat aseptic, facilities.

The downtown areas of many large cities are in need of remarketing. Many popular entertainers and political candidates lose their following and badly need remarketing.

The challenge of faltering demand is revitalization, and the marketing task involved is remarketing. Remarketing is based on the premise that it is possible in many cases to start a new life cycle for a declining product. It is the search for new marketing propositions for relating the product to its potential market.

Remarketing calls for a thorough reconsideration of the target market, product features, and current marketing program. The question of the appropriate target market is faced, for example, by a grand old hotel in Southern California whose clientele was formerly aristocratic and is now moving toward the comfortable middle class. Still the hotel continues to try to attract its old clientele and to base its services and prices on this target market—an approach that neither attracts them back nor succeeds in building up the new clientele to its true potential.

The task of revising product features is faced by Amtrak, the corporation charged with revitalizing railway passenger travel. Amtrak’s initial temptation was to carry on a massive advertising campaign to get people to try the trains again. However, this would have been fatal because it would have shown people how really bad trains and train service have become.

It is a marketing axiom that the fastest way to kill a bad product is to advertise it. This accelerates the rate of negative word-of-mouth that finally puts the death knell on the product. Amtrak wisely decided that mass advertising should come after product improvement. A sharp distinction must be drawn between cosmetic marketing, which tries to advertise a new image without revising the product, and remarketing, which calls for a thorough reconsideration and revision of all aspects of the product and marketing that may affect sales.

In some ways it might be charged that the skilled remarketer serves to slow down progress by trying to preserve the weaker species in the face of stronger competitors. There is some truth to this in that the product in faltering demand would probably disappear or stagnate in the absence of creative marketing inspiration.

In some situations, perhaps the organization simply should take steps to adjust the supply downward to match the demand. On the other hand, when the faltering demand is due to poor marketing premises and not to natural forces, able remarketing can make a major contribution to saving the organization’s assets.

Irregular Demand

Very often an organization might be satisfied with the average level of demand but quite dissatisfied with its temporal pattern. Some seasons are marked by demand surging far beyond the supply capacity of the organization, and other seasons are marked by a wasteful underuse of the organization’s supply capacity.

Irregular demand is defined as a state in which the current timing pattern of demand is marked by seasonal or volatile fluctuations that depart from the timing pattern of supply.

Many examples of irregular demand can be cited. In mass transit, much of the equipment is idle during the off-hours and in insufficient supply during the peak hours. Hotels in Miami Beach are insufficiently booked during the off-seasons and overbooked during the peak seasons. Museums are undervisited during the weekdays and overcrowded during the weekends. Hospital operating facilities are overbooked at the beginning of the week and underutilized toward the end of the week to meet physician preferences.

A less common version of the irregular demand situation is where supply also is variable and, in fact, fluctuates in a perverse way in relation to demand. Legal aid is more available to the poor in the summer (because of law students on vacations) but more in demand in the
winter. Where demand and supply are both variable and move in opposite directions, the marketer has the option to attempt to (1) alter the supply pattern to fit the demand pattern, (2) alter the demand pattern to fit the natural supply pattern, or (3) alter both to some degree.

The marketing task of trying to resolve irregular demand is called synchronization because the effort is to bring the movements of demand and supply into better synchronization. Many marketing steps can be taken to alter the pattern of demand. For example, the marketer may promote new uses and desires for the product in the off-season, as can be seen in Kodak's efforts to show camera users that picture-taking is fun on many occasions besides Christmas time and summer vacation.

The marketer can charge a higher price in the peak season and a lower price in the off-season. This strategy is used in the sale of seasonal items such as air conditioners, boats, and ski equipment. Or the marketer can advertise more heavily in the off-season than in the peak season, although this is still not a common practice.

In some cases, the pattern of demand will be readily reshaped through simple switches in incentives or promotion; in other cases, the reshaping may be achieved only after years of patient effort to alter habits and desires, if at all.

**Full Demand**

The most desirable situation that a seller can face is that of full demand. Full demand is a state in which the current level and timing of demand is equal to the desired level and timing. Various products and services achieve this condition from time to time, but it is not a time for resting on one's laurels and doing simply automatic marketing.

Market demand is subject to two erosive forces that might suddenly or gradually disrupt the equilibrium between demand and supply. One force is changing needs and tastes in the marketplace. The demand for barber services, engineering educations, and mass magazines all have undergone major declines because of changing market preferences.

The other force is active competition. A condition of full demand is a signal inviting competitive attack. When a new product is doing well, new suppliers quickly move in and attempt to attract away some of the demand.

Thus, the task of the marketer in the face of full demand is maintenance marketing. The task is not as challenging as other marketing tasks, such as conversational marketing or remarketing, in which creative new thinking must be given to the future of the product.

However, maintenance marketing does call for maintaining efficiency in the carrying out of day-to-day marketing activities and eternal vigilance in monitoring possible new forces threatening demand erosion. The maintenance marketer is primarily concerned with tactical issues such as keeping the price right, keeping the sales force and dealers motivated, and keeping tight control over costs.

**Overfull Demand**

Sometimes the demand for a product substantially begins to outpace the supply. Known as overfull demand, it is defined as a state in which demand exceeds the level at which the marketer feels able or motivated to supply it. It is essentially the reverse of faltering demand.

The task of reducing overfull demand is called demarketing. More formally, demarketing deals with attempts to discourage customers in general or a certain class of customers in particular on either a temporary or permanent basis.

There are two major types of demarketing situations: general demarketing and selective demarketing. General demarketing is undertaken by a seller when he wants to discourage overall demand for his product. This can arise for two quite different reasons. First, he may have a temporary shortage of goods and wants to get buyers to reduce their orders.

This situation was faced by Eastman Kodak when it introduced its Instamatic camera in the early 1960s and faced runaway demand; by Wilkinson Sword in the early 1960s when dealers besieged it for the new stainless steel blade; and by Anheuser-Busch in the late '60s when it could not produce enough beer to satisfy demand.

Second, the seller's product may suffer from chronic overpopularity, and he may want to discourage permanently some demand rather than increase the size of his plant. This situation is faced by small restaurants that suddenly are "discovered," but the owners do not want to expand; by the John F. Kennedy Center of the Arts in Washington, which draws larger crowds than it can handle resulting in vandalism, damage to the property, and high cleaning bills; by certain tourist places, such as Hawaii, where the number of tourists has become excessive in terms of the objective of achieving a restful vacation; and by the Golden Gate Bridge in San Francisco, where authorities are urging motorists to reduce their use of the bridge.

U.S. electric power companies are demarking certain uses of electricity because of the growing shortage of power generation facilities. Several of the far Western states are actively demarking themselves as places to live because they are becoming overcrowded.

Selective demarketing occurs when an organization does not wish to reduce everyone's demand but rather the demand coming from certain segments of the market. These segments or customer classes may be considered relatively unprofitable in themselves or undesirable in terms of their impact on other valued segments of the market. The seller may not be free to refuse sales outright, either as a matter of law or of public opinion, so he searches for other means to discourage demand from the unwanted customers.

Many examples could be cited. A luxury hotel that primarily caters to middle-aged, conservative tourists resorts to selective means to discourage marginal applicants because of all the paper work and the wish to avoid rejecting so many applicants and creating bad feelings.

A prepaid medical group practice wants to discourage its hypochondriac patients from running to them with every minor ailment. A police department wants to discourage nuisance calls so that its limited resources can be devoted to major crime prevention.

Demarketing largely calls for marketing in reverse. Prices may be raised, and product quality, service, promotion, and convenience reduced. The demarker
must have a thick skin because he is not going to be popular with certain groups. Some of the steps will appear unfair ways to ration a product. Some of the groups who are discriminated against may have just cause for complaint. Demarketing may be highly justified in some situations and ethically dubious in others.

Unwholesome Demand

There are many products for which the demand may be judged unwholesome from the viewpoint of the consumer's welfare, the public's welfare, or the supplier's welfare. It is a state in which any positive level of demand is felt to be excessive because of undesirable qualities associated with the product.

The task of trying to destroy the demand for something is called counter-marketing or unselling. Whereas demarketing tries to reduce the demand without impugning the product itself, counter-marketing is an attempt to designate the product as intrinsically unwholesome.

The product in question may be the organization's own product, which it wishes to phase out, a competitor's product, or a third party's product that is regarded as socially undesirable.

Classic examples of unselling efforts have revolved around the so-called "vice" products: alcohol, cigarettes, and hard drugs. Various temperance groups mounted such an intense campaign that they succeeded in gaining the passage of the 18th Amendment banning the manufacture of alcoholic beverages.

Antismoking groups managed to put enough pressure on the Surgeon General's office to get a law passed requiring cigarette manufacturers to add to each package the statement, "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous To Your Health." They also sponsored many effective TV commercials aimed at "unselling" the smoker. Later, they managed to get a law passed prohibiting cigarette advertising on television. Antidrug crusaders have sponsored advertising aimed at unselling the youth on the idea of drug usage.

Peace groups for years tried to unsell the Vietnam War. Population control groups have been trying to unsell the idea of large families. Nutrition groups have been trying to unsell the idea of eating nutritionally poor foods. Environmental groups have been trying to unsell the idea of being careless with the environment as if it were inexhaustible.

Many manufacturers engage in campaigns to unsell competitors' products or brands, such as a natural gas company trying to unsell electric heating or a compact car manufacturer trying to unsell large, gas-eating automobiles.

Whereas innovation is largely the attempt to add new things to the cultural inventory, unselling is the attempt to eliminate cultural artifacts or habits. In the perspective of innovation theory, unselling may be called the problem of deinnovation.

Many of the concepts in innovation theory might be usable in reverse. The countermarketer attempts to identify the varying characteristics of the early, late, and laggard disadopters so that unselling efforts can be aimed at them in this order. He also considers the characteristics of the product that will tend to facilitate unselling, such as relative disadvantage, incompatibility, complexity, indivisibility, and incommunicability.

At the same time, every effort to unsell something may also be viewed as an effort to sell something else. Those who attempt to unsell cigarette smoking are attempting to sell health; those who attempt to unsell large families are trying to sell small families; those who attempt to unsell the competitor’s product are trying to increase the sales of their own product.

In fact, it is usually easier to sell something else. For example, instead of trying to unsell young people on drugs, the marketer can try to sell them on another way of achieving whatever they are seeking through drugs.

Efforts to turn off demand can profitably draw on certain concepts and theories in psychology. In general, the effort is largely one of deconditioning or habit extinction theory. Learning and reinforcement theory are suggestive in this connection. The marketer is trying to associate disgust, fear, disagreeableness, or shame with the use of the unwholesome object. He is trying to arouse unpleasant feelings in the potential or actual users of the product.

In addition to these psychological steps, the marketer also attempts to load the other marketing variables against the use of the product. He tries to increase the real or perceived price. He tries to reduce the product's availability through reducing or destroying channels of distribution. He tries to find an alternative product that is wholesome.

Clearly, unselling is one of the most difficult and challenging marketing tasks. Unselling is an attempt to intervene in the lives and tastes of others. Campaigns often backfire, as witnessed by the popularity of X-rated movies and drugs whose evils are publicized.

In its defense, however, two things must be said. First, unselling relies on exchange and communication approaches to bring about legal and/or public opinion changes. It is an alternative to violent social action.

Second, unselling has as much social justification in a democracy as does selling. To set up a double-standard where selling—say, of alcohol and cigarettes—is allowable, but unselling by those who object is not, would compromise the rights of free speech and orderly legislative due process.

Summary

The marketer is a professional whose basic interest and skill lies in regulating the level, timing, and character of demand for a product, service, place, or idea. He faces up to eight different types of demand situations and plans accordingly.

If demand is negative, it must be disbursed (conversional marketing); if nonexistent, it must be created (stimulation marketing); if latent, it must be developed (developmental marketing); if faltering, it must be revitalized (remarketing); if irregular, it must be synchronized (synchronomarketing); if full, it must be maintained (maintenance marketing); if overfull, it must be reduced (demarketing); and if unwholesome, it must be destroyed (countermarketing).

Each demand situation calls for a particular set of psychological concepts and marketing strategies and may give rise to task specialization. Managerial marketing, rather than a singular effort to build or maintain sales, is a complex game with many scripts.