“Ways that High-Performing UK Manufacturers Build a Marketing-Led Company Culture”

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WAYS THAT HIGH-PERFORMING UK MANUFACTURERS BUILD A MARKETING-LED COMPANY CULTURE

Roger Brooksbank

Abstract

Studies from around the world have shown the adoption of “textbook” marketing principles to be an essential ingredient of superior competitive performance. In this context, and on the basis of in-depth interviews with senior marketing executives, this paper investigates what it is that high-performing UK manufacturing companies actually do to build a marketing-led organisational culture that differentiates them from their lower performing counterparts. As an aid to both marketing practitioners and educators alike, a number of activities found to differentiate the high-performers are identified and described; activities which enable these firms to successfully cultivate a companywide commitment to satisfying their customers.

Key words: marketing, company culture, United Kingdom, business performance.

Introduction

A growing body of research evidence from around the world clearly illustrates the important contribution of ‘textbook’ marketing principles to the achievement of superior competitive performance (Brooksbank, Taylor and Kirby, 2001). These “success” studies can be broadly categorized into three distinct research streams, each of which corresponds to marketing as it is carried out at various levels within the firm: (i) as an overall business philosophy or ‘organizational culture’, (ii) as an approach to strategic decision-making and resource allocation, and (iii) as a set of tactics/activities for strategy implementation (Webster, 1997). Indeed, Day and Montgomery (1999), Thomas (2002) and others have commented upon the importance of such research, arguing that marketing academics should be continuously asking themselves about the extent to which business people actually practice, and derive benefits from, textbook marketing. Yet one of the key weaknesses of many of these studies is that they serve to answer only the what? questions in relation to successful marketing and effectively ignore the underlying how to? questions (Sui and Kirby, 1998). Notably, authors such as Gautier (2002) and November (2004) echo this point when they lament the fact that most marketing academic research to date has tended to provide little by way of practical insights or meaningful instruction to business decision-makers.

In this context, the objective of this paper is to examine the “how to’s” of successful marketing as it relates to the task of cultivating a marketing-led organisational culture. Specifically, it aims to compare and contrast the culture-building activities of “high-performing” and “low-performing” UK manufacturing companies.

Research Methodology

Over many years, a variety of writers such as Mintzberg (1979), Gill and Johnson (1991) and Tapp (2004), have argued that the best way to study business practice is “from the inside” making it possible for the researcher to get “closer to the action” and thereby gain valuable insights into how companies actually go about doing what they do. Accordingly, this paper reports the findings obtained from personal interviews conducted in summer 2003 with senior marketing executives from six UK-based manufacturing companies.

The sample consisted of three matched pairs of competing firms operating within three separate product-market contexts, with one defined as “high-performing” and one as “low-performing” in each pair.
The use of matched pairs as the basis for a comparative study was developed from a review of reported empirical research in the area (Doyle, Saunders, and Wong, 1985), and was chosen because it is a model that clearly allows for the sharpest possible contrast to be drawn between the marketing activities of higher and lower performing firms competing with one another in the same market. The six participant companies were selected from a database of information held on a total of 42 that had responded to three previous mail surveys (Brooksbank et al., 2003). The final sample comprised those companies whose senior marketing executives had confirmed immediately before the interviews that the nature of their main products and markets was unchanged and that, over the period of 1997-2002, their company had continued to perform either “better” or “worse” than its major competitors relative to four performance measures: profit, sales volume, market share and return on investment. These measures were used in our previous analyses (Brooksbank et al., 2003) and are consistent with the work of others (Hooley et al., 1984). Thus, in each pair, when an executive reported that their firm had performed “better” than their major competitors on all four measures, this firm was classed as the “high-performer” whereas when an executive reported that their firm had performed “worse” than their major competitors on all four measures, this firm was classed as the “low-performer”. Although self-reported measures have the potential to contain bias, a number of authors maintain that they can be both appropriate and reliable for the purposes of comparing and contrasting the operations of firms competing in different markets (Dess and Robinson, 1984; Bamberger, Bacharach and Dyer, 1989; Powell, 1992).

The six respondents were approached by telephone with the promise that all company details and individual responses would be kept confidential. Subsequent face-to-face interviews took approximately 90-120 minutes each, although only the last 30-40 minutes of this time was spent on the topic under scrutiny in this paper. The bulk of each interview – which served as a convenient platform from which to launch into the topic of organisational culture – put the focus on strategic marketing decision-making and is reported elsewhere (see Brooksbank and Taylor, 2007). Thus, in the latter part of each interview respondents were asked to describe in what ways their firm sought to influence the attitudes, beliefs and behaviour of all employees with regard to achieving marketing’s ultimate goal: that of satisfying customers. Specific replies to this question were then followed up with a number of probing open questions as necessary in order to gain a clarity of understanding. Interviews were recorded and subsequently transcribed for analysis. Where appropriate, selected verbatim extracts are included in the main body of this paper.

A profile of the participating companies is provided in Table 1. All six firms were roughly comparable in terms of such basic criteria as number of employees, volume of annual sales turnover, and product strategy. Five out of the six described themselves as UK-owned, and all six senior marketing executives considered their company to be fully autonomous despite the five being in fact a part of larger groups of companies. All defined their main activity as “manufacturing” and their main market as “repeat-industrial”.

### Table 1

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; pair of matched firms</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; pair of matched firms</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; pair of matched firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Employees</td>
<td>90, 110</td>
<td>170, 250</td>
<td>325, 340</td>
</tr>
<tr>
<td>Annual sales revenue</td>
<td>£ 4.8m, £ 7m</td>
<td>£ 8.5m, £ 11m</td>
<td>£ 17m, £ 19m</td>
</tr>
<tr>
<td>Ownership</td>
<td>UK = 2</td>
<td>UK = 2</td>
<td>UK = 1 Other = 1</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Both fully autonomous</td>
<td>Both fully autonomous</td>
<td>Both fully autonomous</td>
</tr>
<tr>
<td>Product strategy</td>
<td>Both single business dominated&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Both single business dominated&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Both single business dominated&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Main market</td>
<td>Both “repeat industrial”</td>
<td>Both “repeat industrial”</td>
<td>Both “repeat industrial”</td>
</tr>
<tr>
<td>Main activity</td>
<td>Both “manufacturing”</td>
<td>Both “manufacturing”</td>
<td>Both “manufacturing”</td>
</tr>
</tbody>
</table>

<sup>1</sup> A single business dominated strategy is defined as one that is dependent on one major area of related products/services (similar technology and markets) which accounts for at least 70 per cent of total company sales (developed from Wrigley, 1974).
Findings

Across both performance groups, the interviewees reported twelve different activities used for cultivating a marketing-led organisational culture. The list in Table 2 gives a brief description of these activities. The table also shows (under the heading “number of occurrences”) the number of interviewees from each performance group who reported their company’s use of each activity, as well as the grand total of occurrences for each group. Thus, Table 2 illustrates that with the exception of the first activity listed (“sell the benefits to staff, face-to-face”), collectively, the high-performing companies were more vigorous in their cultivation of a marketing-led organisational culture compared to their low-performing counterparts. Not only did they report their use of six of the twelve activities in greater numbers, they also employed a wider range of activities, i.e. an additional six activities that were not reported by the low-performers at all. What the table does not reveal, however, was that the executives from the high-performing companies were generally more animated and enthusiastic in their responses, often providing a much more detailed coverage of the “how-to’s”. So in order to illuminate the key differences between the two performance groups in this respect, and especially the full richness of the knowledge gained about the culture-building activities of the high-performing companies, findings related to each of the twelve activities listed in Table 2 are discussed in turn below.

Table 2

Ways of cultivating a marketing-led organisational culture (source: personal interviews)

<table>
<thead>
<tr>
<th>Descriptions of activities reported</th>
<th>Number of Occurrences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High Performers (N = 3)</td>
</tr>
<tr>
<td>Sell the benefits to staff, face-to-face</td>
<td>3</td>
</tr>
<tr>
<td>Conduct customer service/awareness training</td>
<td>3</td>
</tr>
<tr>
<td>Involve non-marketing staff in sales and marketing planning</td>
<td>3</td>
</tr>
<tr>
<td>Develop a marketing-led company mission statement</td>
<td>2</td>
</tr>
<tr>
<td>Promote customer awareness companywide</td>
<td>2</td>
</tr>
<tr>
<td>Hold regular brainstorming circles</td>
<td>2</td>
</tr>
<tr>
<td>Arrange customer visits</td>
<td>2</td>
</tr>
<tr>
<td>Appoint temporary ‘special project’ teams</td>
<td>2</td>
</tr>
<tr>
<td>Set up “customer champions” companywide</td>
<td>1</td>
</tr>
<tr>
<td>Communicate marketing successes companywide</td>
<td>1</td>
</tr>
<tr>
<td>Reward “customer-first” initiatives</td>
<td>1</td>
</tr>
<tr>
<td>Hire staff who are already customer-focused</td>
<td>1</td>
</tr>
<tr>
<td>Grand total of occurrences for each performance group</td>
<td>23</td>
</tr>
</tbody>
</table>

1. Sell the benefits to staff, face-to-face:

As shown in Table 2, all six of the executives interviewed reported that they themselves took responsibility for taking the time to talk face-to-face with employees and to “sell” them on the benefits of becoming more “customer conscious” in carrying out their job role. Indeed, there appeared to be a general appreciation among all interviewees that their firm could only become marketing-led to the extent that every staff member had a vested interest in making it happen. One executive from a high-performing firm summed up this view in putting it like this:

It’s a part of my job to convince people about what’s in it for them.

When asked about the precise nature of these benefits, however, the executives from the high-performing group of companies were more forthcoming. For example, one executive pointed out...
that in his experience employees tended to respond most positively to the challenge with the promise that over the long run, a marketing-led business would result in greater job security and job fulfillment for everyone. Another interviewee from a high-performing company described a slightly different approach. Rather than “selling” directly to general staff, this executive preferred to focus his efforts on persuading selected senior-level colleagues about the merits of being marketing-led. He explained that by influencing the attitudes and behaviours of those who were key opinion-leaders and role-models in his organization, this then had the desired flow-on effect as it filtered through to all staff members across all departments over time.

2. Conduct customer-service/awareness training:

As indicated in Table 2, all three executives from the high-performing companies reported staff training as a means by which a marketing-led culture was developed, compared to two executives from their low-performing counterparts. Although all five of these interviewees said they rarely (if ever) sent their staff on external courses; preferring to conduct most of their training in-house and facilitated by their own people; nevertheless, there was an apparent difference in emphasis between the two groups in terms of the type of staff training they provided. Whereas both executives from the low-performing firms indicated that their training was almost exclusively focused on enhancing the sales and service skills of their front-line staff, this formed only a part of the training activities of the high-performers. For them, training programmes were more broadly based. As one executive put it:

*Skills training is one thing but actually, we believe attitude training is even more important*

Another executive reported that he himself facilitated “customer awareness workshops” for general staff in addition to conducting training and mentoring sessions for “marketing planning purposes” within his senior management team.

3. Involve non-marketing staff in sales and marketing planning:

Three of the executives with the high-performing firms and two from the low-performers emphasised that salespeople typically worked closely alongside production people in formulating plans, as shown in Table 2. However, only those with the high-performers went on to emphasise that other (senior) staff from marketing, finance, research and development, service and administration were also routinely involved, and for the specific purpose of ensuring an integrated overall business approach. One interviewee from a high-performing firm was particularly keen to point out that it was essential for staff to experience a very real sense of personal involvement in the strategic marketing decision-making process. Not only were the plans that resulted from this process said to be all the better because of it, but even more importantly, it ensured that everyone had a thorough understanding of who the firm’s target customers were, and upon what basis the firm sought to compete for business in its marketplace. Interestingly, two executives from the high-performing group of companies reported that the marketing planning process itself normally comprised a series of meetings which were agenda-driven, sharply focused and highly structured. As one put it:

*With a variety of participants you need to have a well developed set of procedures (for marketing planning), so our meetings are always tightly managed and almost always productive.*

4. Develop a marketing-led company mission statement:

Table 2 shows that whereas two executives from the high-performing firms referred to their mission statement as a tool for cultivating a marketing-led company culture (one called it an internal “promotional device”), only one of their low-performing counterparts did the same. A marketing-led company mission statement was described as being distinct from a standard mission statement in that it was purposely written to convey an unequivocal message to staff about the company’s “customer first” priorities. However, for the high-performers it wasn’t just the statement itself (i.e.,
the words that appear in print on the firm’s documentation) that was the vital ingredient. Rather, at least for one executive it was the process by which his firm sought to prepare its mission statement that was thought to really serve the purpose of capturing the hearts and minds of company staff. As he put it:

*What matters is that our mission statement is developed by our employees and not for them.*

This executive further explained that his firm deliberately goes through the process of crafting a new “updated” version of their mission statement every two to three years, as much for the purpose of getting staff involved and motivated as for anything else. It was felt that this process imparted feelings of ownership and commitment to the company’s mission as well as a shared understanding of the “customer-first” values it conveyed.

5. Promote customer awareness companywide:

Two interviewees from the high-performers compared with one from the low-performing group of companies said their firm actively promoted a customer-awareness message companywide, as indicated in Table 2. However, whereas for the low-performer and for one of the high-performers this message was apparently restricted to being communicated solely via one or more posters displayed in the factory, for the other high-performing firm a variety of other mediums were also employed. These included: (i) especially designed computer screen savers; (ii) company noticeboards; (iii) telephone stickers; (iv) messages included on payslips; (v) email messages. Indeed, this interviewee underlined at some length the necessity for his firm’s “customer first” message to be reinforced in a variety of ways and for it to be repeated over and over again, in order to be effective in influencing the attitudes and behaviours of staff:

*It’s a bit like an advertising campaign except the target audience is our employees. The more creative we can be in getting our message across, the more it gets noticed, talked about and acted upon!*  

6. Hold regular brainstorming circles:

Table 2 shows that two interviewees with high-performing firms reported their use of regular brainstorming circles compared with only one of the interviewees from the low-performing firms who indicated likewise. Generally these circles were described as comprising a mixture of staff selected from various areas of the business who met up on a regular basis for about 45 minutes with the aim of finding more efficient and effective ways to carry out their work, to enhance product quality, and to better satisfy customers. However, for one of the high-performing firms a number of different circles, each charged with a different responsibility, were described as “problem-solution” circles and “opportunity circles”. This interviewee went on to explain that the success of these circles, in which he regularly participated himself, depended upon being well run and with a crystal clear focus, but most of all the ideas generated had to be quickly followed through and seen to be acted upon. Interestingly, however, it was suggested that new ideas were not necessarily the sole purpose of his company’s brainstorming sessions when he commented:

*The value of our circles isn’t just what comes out the other end. There’s also value to be had in the meeting of minds towards a common goal.*

7. Arrange customer visits:

This was described as a method of cultivating a marketing-led organisational culture by two executives from the high-performing firms but was not mentioned at all by executives from the low-performing group of firms, as indicated in Table 2. Common to both the high-performers was the practice of sending out new recruits with salespeople. One interviewee commented:

*Our salespeople are our best marketers. Their knowledge, their customer commitment and their professionalism define us. Who better to do our induction training?*
Upon further questioning the two executives gave a similar set of reasons for adopting this policy. Broadly these were as follows: First, it provided new members of staff with the opportunity to experience and understand a customers’ perspective, and to become acquainted with one or more of the company’s existing customers. Second, it served to foster at least some appreciation of the role performed by the company’s salespeople among non-sales staff. Third, it sent a clear signal to all staff members that their firm viewed serving its customers as a top priority. One executive also reported that from time to time, as and when he thought it necessary, he would arrange for an employee to go on a customer visit. A recent example given was a person working in the company’s accounts department who had recently visited their “opposite number” in the accounts office of a major customer in order to discuss the implications of an up-coming change in the accounting regulations governing their industry.

8. Appoint temporary ‘special project’ teams:

As shown in Table 2, this was an approach described by two executives from the high-performing group of companies. From time to time these firms would appoint special project teams made up of a blend of half a dozen or so selected staff members typically chosen from all levels and all functional areas of the business, and for the express purpose of undertaking a specific marketing project (of one sort or another) over a limited period of time. Examples given of recent special projects completed included: conducting a piece of market research, investigating and resolving a customer complaint, and carrying out a new product feasibility study. One executive explained that he himself was a regular member of his firms’ special project teams. Interestingly, this executive said that an example of a current special project team was a team of “customer owners” – a cross-functional team that had been set up to look after all aspects of his company’s dealings with a large and important new customer that had just been acquired.

Essentially, the main benefit associated with all these kinds of project teams was said to be that they served to ‘cross-fertilize’ the skills, knowledge and experience of team members. According to one executive, however, another benefit of this approach was that it always provided a “renewed momentum” to his firm’s quest to become increasingly market-driven because:

In doing a special project everybody learns how their work contributes, in one way or another, towards our goal of maximizing customer satisfaction.

9. Set up “customer champions” companywide:

As indicated in Table 2, this approach was only described by one executive from a high-performing company. With this approach, one or more staff members volunteered themselves to be a designated “customer champion” (also referred to as a “customer advocate”) over a certain period of time. It was then this person’s task, over and above their usual job responsibilities, to champion the firm’s goal of satisfying customers among their work colleagues within their particular operating unit, department or location. Through a process of rotation, over time this approach was reported to be an effective means by which the firm was able to motivate large numbers of their staff to “think customer”. This interviewee went on to assert:

I might add that in the boardroom I consider myself to be our biggest and most influential customer champion.

10. Communicate marketing successes, companywide:

As Table 2 shows, this activity was reported by one interviewee from a high-performing company. In fact, it was described as being one of the “hallmarks” of his firms prevailing culture. Whenever the firm gained an important new client, had a big contract renewed, received high satisfaction ratings from a customer, developed a new product idea, completed a market research project or something similar, then, as a matter of company policy, these types of successes would be communicated to all employees. In particular, full recognition would always be given to each staff member for their contribution to the overall effort involved. Depending on the magnitude of the accomplishment, to mark the occasion, some kind of celebration would invariably follow. In this
way, the message that marketing was essentially a cross-functional and team-based activity was constantly being reinforced. As this executive stated:

*I want everyone to know they have a part to play in delivering customer satisfaction – that even though it’s not on people’s business cards, we all do it.*

**11. Reward “customer-first” initiatives:**

One executive from a high-performing firm reported this activity, as shown in Table 2. As a part of his firm’s policy of “empowering” company staff to be creative and introduce new “customer first” initiatives, an annual roll-call of achievement would include a number of bronze and silver prizes as well as a gold prize for the best initiative. Examples of previous award-winning initiatives included the introduction of a new piece of computer software for storing a wider range of customer information, a simple and low-cost product improvement idea and a system for shortening customer service response times. This executive felt it was necessary for top management to give customer-first initiatives a high priority and to provide the right kind of environment for them to flourish. This could be done by issuing all staff with a clear challenge at the start of each year, encouraging creativity, dismantling any unnecessary rules and above all, making the rewards worthwhile:

*As long as we do a good job of rewarding the behaviour we want more of, we’ll move forwards. The trick is properly communicating your priorities to people...*

This executive went on to add that he and two other company directors usually did the judging, ensuring that the prizewinners were always drawn from all areas of the business and not just those working in a sales and marketing role.

**12. Hire staff who are already customer-focused:**

As shown in Table 2, one interviewee from a high-performing firm brought up this approach. He explained:

*It’s a lot more time-consuming and potentially expensive to have to educate a new staff member to fit in with our prevailing culture than it is to hire someone who is a good fit in the first place.*

For this reason his firm had a policy to, as far as possible, only hire staff who were able to demonstrate three main attributes. First, an understanding of what it means for a company to be customer-focused, or at least an open-mindedness and willingness to adopt marketing principles. Second, someone who would be likely to fit in with, and get on well with, existing staff members in the operating unit or departmental team to which they would be assigned. Third, someone who was well matched to the specific job role in terms of their track record, qualifications, skills, knowledge, abilities and potential. Certainly, it was evident that in this company, right from the beginning, new employees were under no illusions that they would be working within the context of a marketing-led overall business approach.

**Conclusions**

In view of the fact that all six of the companies that took part in this study had already participated in a number of earlier iterations of the current research programme, perhaps it was not too surprising to find that all the executives interviewed were entirely familiar with the concept of marketing defined as an overall business philosophy or “organisational culture”. Certainly, all six demonstrated an appreciation that in order to succeed over the long run in their particular market, it would be necessary to embrace this philosophy. However, that having been said, this study has revealed a number of differences between the high and low-performing companies with respect to the nature of the activities which were reported to be instrumental in making-it-happen. Indeed, it can be concluded that four key features differentiate the high-performers in terms of what it is they actually do to build a marketing-led organisational culture:
They are more active. In the interviews, executives from the high-performing companies described a total of twelve distinct culture-building activities, yet only six of these were similarly described by their low-performing counterparts. Moreover, whereas collectively, the executives from the high-performing group of companies reported on 23 occasions that they used a specific activity for the purpose of cultivating a marketing-led organisational culture, this compared with only 10 occasions for the low-performing group of companies. Furthermore, as the interviews progressed it became clear that even when executives from the two groups described their company’s use of a similar activity, the high-performers were consistently more diligent and vigorous in the way these activities were being implemented.

They are more innovative. Executives from the high-performing companies reported that they used a far wider range of activities. In fact, as a group the high-performing firms reported six activities that were not mentioned at all by any of the executives from their low-performing counterparts. Clearly, activities such as appointing special project teams, setting up one or more “customer champions” to advocate a customer perspective in different areas of the business, rewarding “customer first” initiatives and sending out new recruits with salespeople on customer visits, all display a preparedness to try out something new in their drive to build a marketing-led organisational culture. This more innovative approach was also evident in the ways the high-performers went about implementing some of the activities which, at least on the surface, appeared to be common to both performance groups. For example, the executives from the high-performing companies described a greater variety of ideas for “selling” the benefits of being marketing-led to staff, conducting marketing training and promoting the customer awareness message among employees.

Their senior marketing executives are more committed to the cause. Unlike their counterparts in the low-performing group of companies, the executives from the high-performing group of companies more often talked about their own personal involvement in the activities they were describing. For example, on a number of occasions these executives remarked that they themselves often ran their firm’s customer awareness training programmes, acted as mentors and “customer champions”, facilitated brainstorming sessions, organised customer visits, or took part in special projects. By being “visible” in this way, these executives demonstrated a style of leadership and level of commitment to the cause that was often lacking among their low-performing counterparts. Certainly, as a group, the executives from the high-performing firms were noticeably more animated and enthusiastic when describing their firm’s culture-building activities.

Their activities are more involving of non-marketing people. One of the distinguishing characteristics of the culture-building activities described by executives from the high-performing group of companies was the extent to which they were truly cross-functional in nature. For the high-performers, all twelve of the activities identified in Table 2 were deliberately set up to involve all employees and not just those working in a marketing role. Indeed, executives from the high-performing firms more frequently alluded to the need to encourage everyone to work together towards the common goal of satisfying customers, sometimes to the point where traditional inter-departmental boundary lines often appeared somewhat blurred.

In overall conclusion, this research has offered a number of practical guidelines and insights into the “how to’s” that enable high-performing manufacturing firms to successfully cultivate a marketing-led organisational culture. It is hoped these findings will be of value to both marketing educators and practitioners alike. It has also indicated that there is much scope for further and more detailed studies in this area. While it is recommended that future research would do well to employ matched pairs of higher and lower-performing firms as the basis for comparisons, as has been used here, hindsight suggests that the methodology could be further refined. First, in order to be more confident that findings are truly indicative of the differences between the culture-building activities of higher and lower-performing firms, it would be necessary to increase the sample size. Secondly, it would be useful to be able to compare the activities of manufacturing firms with those operating in other sectors of the economy. Lastly, it is suggested that enriched insights could be
gained through the adoption of more ‘involving’ qualitative research methods such as phenomenology and ethnography.

References


