



Peter Drucker on Marketing

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Long ago Peter Drucker, the father of business consulting, made a very profound observation that has been lost in the sands of time:

"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. Marketing is the distinguishing, unique function of the business."

Today, when top management is surveyed, their priorities in order are: finance, sales, production, management, legal and people. Missing from the list: marketing and innovation. When one considers the trouble that many of our icons have run into in recent years, it is not easy to surmise that Drucker's advice would have perhaps helped management to avoid the problems they face today.

Ironically, David Packard of Hewlett-Packard fame once observed that *"marketing is too important to be left to the marketing people."* But as the years rolled on, rather than learn about marketing and innovation, executives started to search for role models instead of marketing models.

Tom Peters probably gave this trend a giant boost with the very successful book he co-authored, *In Search of Excellence*. Excellence, as defined in that book, didn't equal longevity, however, as many of the role models offered there have since foundered. In retrospect, a better title for the book might have been *In Search of Strategy*.

A popular method-by-example book has been *Built to Last* by James Collins and Jerry Porras. In it, they write glowingly about "Big Hairy Audacious Goals" that turned the likes of Boeing, Wal-Mart Stores, General Electric, IBM and others into the successful giants they have become.

The companies that the authors of *Built to Last* suggest for emulation were founded from 1812 (Citicorp) to 1945 (Wal-Mart). These firms didn't have to deal with the intense



competition in today's global economy. While there is much you can learn from their success, they had the luxury of growing up when business life was a lot simpler. As a result, these role models are not very useful for companies today.

There is a growing legion of competitors coming at new businesses from every corner of the globe. Technologies are ever changing. The pace of change is faster. It is increasingly difficult for CEOs to digest the flood of information out there and make the right choices.

But a CEO can have a future.

The trick to surviving out there is not to stare at the balance sheet but simply to know where you must go to find success in a market. That's because no one can follow you (the board, your managers, your employees) if you don't know where you're headed.

How do you find the proper direction? To become a great strategist, you have to put your mind in the mud of the marketplace. You have to find your inspiration down at the front, in the ebb and flow of the great marketing battles taking place in the mind of the prospect. Here is a four-step process to pursue:

Step 1: Make Sense In The Context

Arguments are never made in a vacuum. There are always surrounding competitors trying to make arguments of their own. Your message has to make sense in the context of the category. It has to start with what the marketplace has heard and registered from your competition.

What you really want to get is a quick snapshot of the perceptions that exist in the mind, not deep thoughts.

What you're after are the perceptual strengths and weaknesses of you and your competitors as they exist in the minds of the target group of customers.

Step 2: Find The Differentiating Idea

To be different is to be not the same. To be unique is to be one of its kind.

So you're looking for something that separates you from your competitors. The secret to this is understanding that your difference does not have to be product related.



Consider a horse. Yes, horses are quickly differentiated by their type. There are racehorses, jumpers, ranch horses, wild horses and on and on. But racehorses can be differentiated by breeding, by performance, by stable, by trainer and so forth.

Step 3: Have The Credentials

There are many ways to set your company or product apart. Let's just say the trick is to find that difference and then use it to set up a benefit for your customer.

To build a logical argument for your difference, you must have the credentials to support your differentiating idea, to make it real and believable.

If you have a product difference, then you should be able to demonstrate that difference. The demonstration, in turn, becomes your credentials. If you have a leak-proof valve, then you should be able to have a direct comparison with valves that can leak.

Claims of difference without proof are really just claims. For example, a "wide-track" Pontiac must be wider than other cars. British Airways as the "world's favorite airline" should fly more people than any other airline. Coca-Cola as the "real thing" has to have invented colas.

You can't differentiate with smoke and mirrors. Consumers are skeptical. They're thinking, "Oh yeah, Mr. Advertiser? Prove it!" You must be able to support your argument.

It's not exactly like being in a court of law. It's more like being in the court of public opinion, especially with the rise of social media.

Step 4: Communicate Your Difference

Just as you can't keep your light under a basket, you can't keep your difference under wraps.

If you build a differentiated product, the world will not automatically beat a path to your door. Better products don't win. Better perceptions tend to be the winners. Truth will not win out unless it has some help along the way.

Every aspect of your communications should reflect your difference. Your advertising. Your brochures. Your Web site. Your sales presentations.



The folks who work for or with you don't need mystical answers on "How do I unlock my true potential?" The question they need answered is, "What makes this company different?"

That answer gives them something to latch on to, and run with.

About Andrew Cooke

Andrew Cooke is known for his work with executives, managers and teams in helping them to grow, develop and achieve results. Using a blend of consulting, facilitation and coaching he is noted for his ability in "bringing people potential to life". Andrew takes the time to understand and assist successful business executives in creating a customized plan that allows them grow and develop their leadership effectiveness. In doing this he guides executives to manage, direct and make change work for them and their stakeholders and teams in an increasing volatile, uncertain, complex and ambiguous business environment. From this he helps others to become more successful in both what they do and how they do it.

Andrew demonstrates a proactive attitude and empathy that blends enthusiasm, energy and a pragmatic approach in engaging leaders and their stakeholders. He has over thirty years of international business experience and insights on which to draw, and has worked with blue-chip clients and other leading businesses across a range of industries. Andrew is passionate about helping others to be more successful personally and professionally

Qualifications & Accreditations

Andrew is an experienced international expert in executive coaching, leadership development and business consulting. He has qualifications, certifications and accreditations from recognized leading global organizations, including:

- International executive coach with certifications for Marshall Goldsmith Stakeholder Centered Coaching and Global Leader of the Future 360⁰ Assessment
- Masters of Business Administration (MBA), London Business School, UK
- Bachelor of Business BA (Hons), University of Plymouth (UK)
- Diploma from the Institute of Marketing (UK)
- Accredited DISC Facilitator & Coach