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Book Reviews

Lateral Marketing

Philip Kotler and Fernando Trias de Bes

Wiley, 2003; hardback; 200pp; £19.99; ISBN 0-4714-5516-4

Before we start, indulge me. I do not feel worthy to review Kotler. I am excited when the package arrives from my editor and I unwrap the hardback with childlike revelry. What is new? What is next? What has he developed? Kotler's texts are anchors in the increasingly complex seas of marketing. And his work displays a dynamism that has mirrored the ever-changing cultures and social structures in which marketers are working.

Lateral Marketing did not disappoint. This time he has teamed up with Fernando Trias de Bes for a new journey, and, in the supersaturated consumer markets, one that is long overdue. He is challenging the conventions; coaching marketers to broaden our horizons; delivering a new set of solutions; thinking the unthinkable. At its essence he is teaching us to shrug off years of linear discipline and think laterally. And to help us get there he provides the most detailed of road-maps with the clearest of signposts. The text is highly practical and designed to be easy to implement: clear, crisp, concise and instructive. It is indexed in the way the reader needs and can double as a reference book, an atlas that instantly traces our path and highlights the junctions and route options coming up.

Now many marketers would pride themselves on their lateral thinking already — indeed, marketing remains one of the most creative of all business disciplines — but Kotler takes us on to a new level by providing a meta-framework for applying lateral thinking across the whole of marketing. The result is a set of tools that are about 'covering needs, uses, situations, or targets not currently covered and, therefore, [delivering] a process that offers a high chance of creating new categories or markets.'

Although all marketers will enjoy the wake-up call, *Lateral Marketing* gears itself primarily to strategic marketers in the driving seat of product development, target market strategy or marketing mix control. The road-map includes a choice of paths: new product development, market reassessment, rebuilding the marketing mix. It helps answer such questions as which non-potential customers could be reached, what else could a product be used for, which other needs could be satisfied.

But why do we need it? And why now? Kotler's argument is that marketing is running into the very problems of its own success. I am paraphrasing crudely, and by no means does he disregard the 25 weighty tomes of theory he has already given us, but in a world of hypersatisfied customers he is adamant that 'Companies today need a new way of thinking about creating meaningful market offerings. We have reached a turning point in which marketing needs a new framework for generating ideas.' Stressing the complementary nature of vertical and lateral

**Challenging
conventions**

Clear and practical

Lateral thinking

Problems of success

A welcome addition

approaches, his arguments are that compelling, breakthrough success is now only achievable through the lateral.

With the average urban citizen exposed to a staggering 2,000 commercial messages a day he fears that we have moved into a culture in which ‘consumers have learned to look without seeing, to hear without listening’, and only by breaking convention will messages achieve stand-out and register in what he sees as the closed consumer’s mind. The road for marketers will unquestionably become tougher, and this new road-map is a welcome addition for those wanting to escape the vertical and the hierarchies we have grown up with and to do something outstanding.

Danny Meadows-Klue
Chief Executive, Digital Strategy Consulting

The New Bottom Line: Bridging the Value Gaps that are Undermining Your Business

Alan Mitchell, Andreas W. Bauer and Gerhard Hausrucking
Capstone Publishing, Oxford, 2003; hardback; 246pp; £20/\$29.95;
ISBN 1-8411-476-1

Overabundant metaphors in an interesting analysis

The first few pages of this book set the scene, literally. Marketing is described in terms of tectonic plates, mountain ranges, value peaks and value valleys, from which changing landscape three forms of new bottom-line business are predicted to emerge: ‘trading agents’, ‘solution assemblers’ and ‘passion partners’. These will fill the value gaps left when supply-driven businesses do not align their whole effort with their customers’ lives.

This sounds like the write-up of an Accenture works outing to Iceland. Which is a shame. Because between the metaphors, this densely written work intelligently binds together a number of salient perspectives on the nature of marketing in the post-analogue, demand-driven marketplace.

The metaphors keep coming, but if you go with the flow (magma, of course) then an interesting analysis unfolds that gives much food for thought.

The authors argue that the marketing landscape will necessarily change because of two unstoppable and fundamental shifts: the need to move the location of wealth creation from within the business operation to people’s lives; and secondly, the need to realign corporate efforts with people’s own purposes and goals. The authors do not miss the opportunity to describe the likely effect of these shifts as a ‘seismic transformation’ in marketing. And it is the shift from operational to people alignment and focus that form the new bottom line.

The importance of employees

The authors use ‘people’ as a reference primarily to customers, but also to employees. Of course, you would expect this reviewer to support the authors’ notion that employees are vital contributors to competitive edge. In the new bottom line, employees are considered to be as much investors in the business as are its customers. Their skills and motivation are

fundamental to success. Thus the business must become both customer- and staff-oriented.

Themes developed in Mitchell's previous work, *Right Side Up*, resurface. Bottom-up flows of information and new types of intermediation (companies acting as agents, not vendors) are relatively new (and accurately predicted) components of today's marketplace. Their continued evolution — in form and significance — is among the significant components of the new bottom line.

There is more than a touch of CRM here.

The crisis of marketing

The authors remind us that, hitherto, businesses have sought to *align individuals* to their operational needs and goals. As a result, marketing is now 'in crisis'. One symptom of this crisis is that as manufacturing and distribution have become ever more ruthlessly efficient, conversely marketing has become more and more complex, and so proportionately more expensive. As much is spent on *selling* products today as is spent on *making* them.

The new economies of scale will be about reducing the cost of going to market — the costs of 'matching and connecting'. The new bottom line will be about demand, not supply — where 'making and selling' are succeeded by 'sourcing and integrating'. The three emerging business models will each play a subtly different but wholly customer-oriented role.

Three new business models

- 'Trading agents' will help customers to maximise the value of their purchases and minimise cost. They will also serve to maximise the customer's value (their personal data and status as a potential investor) in the marketplace, promoting the customer's potential worth to vendors.
- 'Solution assemblers' are predicted to provide customers with ways to get more out of life, sourcing products and services, then integrating them into customers' lives to make these more efficient and productive.
- The role of 'passion partners' will be to help customers achieve emotional fulfilment. They will enable the pursuit of hobbies, interests and chosen causes by connecting customers with relevant products, information and services. At first sight, 'passion partners' is the most ephemeral concept of the three; but maybe it is simply the new bottom line's customer-centric corollary for affinity marketing.

An added dimension, not a substitute

Thankfully, *The New Bottom Line* is not just a book trailing a new paradigm. It does not espouse replacement or substitution. The new bottom line has many dimensions, and for most businesses the authors recognise that it will be an *added* dimension, creating new and additional value for both customer and corporation.

Escalating marketing costs and increasing consumer expectations will propel the shift to this new bottom line. Undoubtedly some customers have already started asking for a 'return on investment' rather than simply 'value for money'; and some businesses will have started to consider the

consumer as an ‘investor of personal assets’ rather than merely a ‘buyer of goods’.

How far and how quickly the new breed of personally aligned businesses predicted by the authors will develop is something to guess at. The brave among us may consider a venture based on one of these business models. For most of us, a seismic relocation of wealth creation or a shift in the focus of alignment may be an earthquake too far for our businesses. But this book will certainly add a new dimension to your marketing thinking and leadership. And it may help you to unleash a little more customer value along the way.

Neil Morris
Deputy MD, The IDM

The Tipping Point: How Little Things Can Make a Big Difference

Malcolm Gladwell

Abacus, 2002; paperback; 288pp; £7.99; ISBN 0-3491-1346-7

A zeitgeist romp

How can little things can make a big difference? That is the question at the heart of Gladwell’s *zeitgeist* romp through American pop culture. Unconventional, bordering on the business equivalent of punk, Gladwell starts his journey deep in the street life of New York where he charts the unexpected return of Hush Puppies. He takes us on a subway ride to explain why some crime reduction programmes work and others collapse, into the consulting rooms of disease clinics that conquered epidemics, behind the scenes with the focus groups that drive the Sesame Street children’s television show — even a few consumer package goods companies make an appearance. Like a travel writer, he describes these worlds we wander through with a richness and grittiness, and left me feeling like I had done a few thousand miles on Greyhounds round the USA.

Theory woven into examples

But this is no picture-postcard book. Gladwell weaves theory through the fabric of these examples. And the theory delves into the science of epidemiology and the process of disease transmission. Not what you would recognise as marketing; at least not on the surface. Gladwell’s obsession is epidemics. Epidemics of ideas; how they start, incubate, spread and are caught; the roles people and media play along the transmission path; the mavericks who nurture the knowledge; the connectors whose gregariousness takes messages far and wide; the salesmen who convince those disposed to adopt; the journey that begins after the marketing message has been released; the factors needed for an idea’s spread to ‘tip’ into an explosive epidemic.

Epidemics as an analogue for marketing

The familiar marketing adoption curve makes a welcome appearance as the early majority follow the innovators and our ever-present laggards drag their heels. But how much had you questioned the very nature of that curve before? Had you thought about how the numerous micro-markets join up and what makes some susceptible to your painstakingly crafted

**A health check on
existing strategies**

message while others never even register? What is holding back these groups from adopting and why is the pace so radically different?

I was lucky enough to study epidemiology at college and have enjoyed using a few of its principles in marketing in my own journey. Comparing the infection of ideas with the infection of disease is not new and many other marketers have also arrived at points along Gladwell's path. But what is now clear is that we were merely wandering in the foothills while Gladwell was rolling out the highway into and through the mountains.

In a world of ever more complex social structures, ever more prolific and fractured media, ever greater noise across the landscape of our lives and exponential growth in communications, Gladwell's approach takes on an essential relevancy. This is a complement, not a threat, to traditional marketing theory. *The Tipping Point* does not challenge the notions of brand and response marketing, but instead provides a window through which to view and review markets, plans, products and ideas. It is a health check to strategy, a model for marketers, a framework every marketer should learn, a tool to embrace with passion.

*Danny Meadows-Klue
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