

The Deadly **Marketing Sins** of Executive Leaders

*A thought leader interview
with Marketing scholar Kevin Lane Keller
Dartmouth College*

Second in a series

Dr. Kevin Keller is the E.B. Osborn Professor of Marketing at the Tuck School of Business, Dartmouth College. He has been widely recognized as a leading authority on marketing management, brand strategy, brand equity, integrated marketing communications, and advertising.

In addition to numerous scholarly publications, he is co-author with Philip Kotler of the leading business school classic *Marketing Management*, now in its 13th edition. He also is author of *Strategic Brand Management*, and *Best Practice Cases in Branding*.

Dr. Keller has served on the marketing faculty at U.C. Berkeley, Stanford University, The University of North Carolina at Chapel Hill, Duke University, and Dartmouth. He received his PhD from Duke in 1986.

Dr. Keller was interviewed by B2B Market Strategies president Kevin Renner, who was a student of Keller's at Berkeley.



B2B: In your career as a scholar, researcher, and consultant, what have you observed as the most significant marketing mistakes at the senior executive level?

Keller: The CEO is especially important in technology companies, as the spokesperson for the firm. Because you're often selling an approach, a belief, a philosophy about how to do things, not just a product. So the CEO is crucial as the spokesperson for the brand, to articulate that vision both internally and externally.

The sin I see is when CEOs don't play that role, don't step up and advocate for the brand, and be that ambassador of the company for others. That's especially true in B2B. They're the CEO internally, and they have to get people to know that marketing and brand matter. You need to convince people that it's not just the best product that wins. It's not just a bunch of sales people running around who make this company successful.

Some CEOs can articulate so well why the company is a good partner, a good bet. And some can't.

B2B: Can you give an example?

Keller: I was working with Silicon Graphics years ago. They had 3D workstations they made for technology companies, and they were state of the art at the time.

They were high flyers until Sun came in and gave them a hard time. And then they had a real marketing and branding problem, with their product lines and so on. We were engaged in a rebranding initiative, trying to set it on a new course. But a new CEO came in, and during an all employee meeting, a question came in about it (the rebranding initiative). And the new CEO waffled, didn't support it. So the entire marketing team said, "I need to get my resume together; I'm out of here."

Sun came down and ate their lunch. There was a general lack of marketing sophistication and customer focus. They really paid the price, and just in the last year or so were sold for a pittance. There was not much value left. It was a slow, agonizing death. That is often the case; death by 1,000 cuts, 1,000 bad decisions.

B2B: What's the takeaway from your 20+ years of researching and studying marketing?

Keller: It's about branding your products, creating customer loyalty. The key thing I've seen is how much the CEO is the true ambassador of the brand, internally and externally. They don't have to be born marketers. Most come up from the technical side, maybe sales or finance.

The CEO really plays a key role in these B2B settings, especially in technology. You're really betting on a person who's running the company.

The other thing is you run across CEOs who get caught up in the fad or idea of the moment. They just really don't get that basic notion of being customer focused, that there are rational & emotional decisions. Even in B2B, people often overstate the

importance of the rational; these are decisions you're making about your company, your career, so there are powerful emotions at work.

Senior management at companies often don't appreciate how this all works, the complexity of marketing.

B2B: You've seen that play out repeatedly, no doubt. Can you give another example of seeing it erode value in a company?

Keller: I was working in Australia with a company called CSR, the old Colonial Sugar Cane company. They got into all kinds of things; there was a broad brand architecture, a lot of complexity, no synergies.

Their CEO was young, trying to make his mark. He came in and just cut the entire branding program when the economy hit a recession. He didn't appreciate how branding could affect his revenue. So the commitment, the belief in the brand, is critical. It's their key asset.

The CEO didn't see the potential of marketing and branding, and it's so simple to cut that stuff, and so short sighted. So he started price discounting a lot, and just got into a price game. A lot of people left. It was the same old story. Unfortunately, most CEOs don't have the experience to work their way through these kinds of problems.

B2B: So what happened as a result of that slash and burn approach?

Keller: Well, the recession hit and there were a bunch of other complications. The CEO was asked to leave. There's not a pithy answer to this, but I do think they lost a really interesting opportunity.

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Professor Keller has published extensively on marketing and brand strategy. His recent paper, "Building a Strong Business-To-Business Brand" appeared in *Advances in Business Marketing and Purchasing*. Keller points to six keys to building a B2B brand that can deliver stronger purchasing preference, pricing, margins, and customer loyalty:

1. Executive leaders must get their entire organizations to understand their brand, its essence, and value.
2. Larger and more complex organizations need to develop coherent branding strategies around their master brands and sub-brands.
3. To prevent falling into a price war and commoditization trap, companies need to build on the strength of their most meaningful differentiators.
4. Companies need to get more insightful and creative about leveraging non-product associations as part of their brands (such as customer service, highly regarded customers, etc.).



5. Emotional associations related to B2B buyers' needs for security, peer approval, or self-enhancement need to be examined, understood, and incorporated into a company's offerings and brand strategies.
6. Managers must improve how they segment their markets and buying constituencies, and tailor their offerings as best they can around the varying expectations, preferences, and requirements of those segments.

Kevin Renner is president of B2B Market Strategies, a marketing advisory, consulting, and interim executive firm serving emerging companies selling into business and institutional markets.

