Chapter 7
Towards Leadership Marketing: An Exploratory and Empirical Study

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ABSTRACT

In an era when collaboration is key to business prosperity, the ability to develop one truly coherent and agile brand lived by its employees and delivered to the external stakeholders has become extremely challenging. Unity between the internal brand and a company’s external image, when change is the only constant, has nearly vanished. The marketing function is frequently being underemphasised at the board level. Furthermore, the existing approach to leading business devalues the importance of marketing and its role in leading organisational change. This chapter is about how marketing can partner with organisational leadership for a mutually beneficial exchange of skills and capabilities in order to be able to reinvent organisations rapidly enough to cope with shifts in the external business environment and create a sustainable future for the business. From an interpretivist perspective, the current chapter explores the novel concept of “leadership marketing,” which challenges the conventional view of marketing and leadership as two separate fields and offers a holistic approach for business management and brand alignment.

INTRODUCTION

Marketing literature in the past decades has increasingly reflected the need for marketing to lead organisational change (Day 2011). Clearly most extant literature confines marketing to the functional marketing mix (Baker, 2007). There is a recognition that marketing should be looked at beyond the functionalist perspective: “To excel in a global economy, the field of marketing must take a new position, rethinking its fundamental relationship to all aspects of the organisation and
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its external environment” (Morris, 1987). This study is aimed at establishing a new transformational concept of leadership marketing, which is based on the integration of the two academic and business terrains - leadership and marketing. Also, the study aspires to explore the role marketing plays in driving organisational change. With the speed of change the current business environment, marketing practices quickly go out of date if not attuned to market needs. Companies are required to align their internal and external perceptions of the brand with organisational competencies. Prior to determining the role that marketing plays in leading organisational change, the novel concept of leadership marketing needs to be defined. It is also necessary to discover the components and prerequisites for the successful adaptation of leadership marketing. Hence, in order to attain the above stated aims and objectives, the following research questions will be addressed: What are the determinants of the new leadership marketing paradigm? What is the role of leadership marketing in driving organisational change within the business and across its different functions?

BACKGROUND

An increasing number of companies are becoming customer-centred as a result of the long-standing recognition of the importance of marketing orientation in today’s highly competitive business environment. Adoption of the marketing concept, based on customer focus and integration of departments, has been accentuated as a foundation for maintaining long-lasting business success (Kohli & Jaworski, 1990; Harris, 2002). Furthermore, the nature of business has evolved such that companies have realised the significance of internal organisational culture and strong employee relations in achieving sustainable business performance (Carrig & Wright, 2006). From the marketing perspective, employees have become internal customers due to their ability to satisfy the needs of other employees inside the organisation, which is an antecedent to external customer satisfaction. As part of a natural evolution of marketing organisation, customer satisfaction has driven many companies to establish much closer relationships with their suppliers, partners and others in the supply chain. This in turn has emphasised the importance of collaboration between all the organisations involved in delivery of the final product. As a result, lines between internal and external stakeholders have been blurred a long time ago and the distinction between the two will further lose its clarity. This implies a new way of thinking for organisations to remain successful in the face of advancing competition and new technologies. As business strategies become more complex, culture is required to grow into the level of complexity required to implement them (McGuire, et al., 2009).

The two notions mentioned above bring out opposite sides of the marketing spectrum whereby external marketing centres around customers by developing an organisation’s outside image, while internal marketing focuses on employees by shaping organisational culture and identity. The link between the two lies with leadership that shapes the way employees perceive the organisation, which in turn influences the projection of the image to external audiences, including customers (Hogg & Carter, 2000). Predictably, the quality of leadership explains as much as 45 per cent of an organisation’s performance (Day & Lord, 1986). The challenge for many companies is to be able to effectively represent and maintain connections between their unique and compelling identity i.e. inside brand, embodied in employee culture, and external organisational image i.e. outside brand, portrayed by the company to its customers and other external stakeholders. Quite a few companies fall short by failing to deliver the brand promise made to target customers and even more fail to effectively adapt to the changes in the business environment and reconfigure their customer value-creating processes to match the new positioning.