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BOOKS

We Are All Marketers Now

 By **CHRISTOPHER LAWTON**
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When Target Corp. employees travel to glamorous cities such as London, Paris or Tokyo, they are required to do more than attend rank-and-file meetings and perform the everyday tasks that come with their day jobs. Target also expects them to write reports about various trends they come across around the world. These reports supplement the work of official "trend groups" whose express purpose is to travel the world uncovering new, popular currents in home décor, clothing and other retail lines. The effect, says Michael Francis, executive vice president of marketing for Target, is to create "trend czars" in every area of the company.

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This strategy is just one of the ways that Target creates a company-wide marketing culture, according to Noel Capon, the author of "The Marketing Mavens." Target's focus on trend gathering, Mr. Capon writes, goes beyond traditional customer research; it is the kind of effort that can give any business the edge it needs to beat the competition. And spotting trends is just the beginning: Target uses integrated operations such as in-house design to bring those trends to shoppers faster, says Mr. Capon.

Using examples from companies such as Exxon Mobil, Dell, Toyota Motor, L'Oreal and Amazon, Mr. Capon builds a case that marketing should be the concern of the entire business, not just the marketing department. He describes an epidemic of global oversupply that gives consumers more options than the businesses that supply them. As a result, he argues, "you must put the customer at the center of your business." The only way to do that is by making marketing the "guiding philosophy" of the business.

DETAILS


THE MARKETING MAVENS
 By Noel Capon
 (Crown Business, 307 pages, \$27.50)

Mr. Capon, a professor at Columbia Business School, takes a scientific approach, in part because, he says, there has been to date little in-depth study of how successful companies focus on their customers. To that end, he led a research team at Columbia over the course of four years to examine companies across 25 industries, interviewing 57 executives from an array

of concerns. "The Marketing Mavens" is a chronicle of "the lessons of long-term winners."

Mr. Capon divides his findings into five imperatives for a world of oversupply. In 1996, L'Oreal USA President Carol Hamilton followed the first one -- "picking markets that matter" -- when she saw a young woman at the gym whose hair matched her bright workout gear. Ms. Hamilton pushed the organization to come up with hair-color products for younger women that celebrated color as a fashion statement instead of as a way to cover gray hair. The resulting Féria brand of hair colors for women under 35, which L'Oreal launched in 1998, helped the company take the top spot in hair color.

For imperative two, dissecting markets, Mr. Capon advises companies to pick the market segments where they can deliver the best product. In the 1990s, for instance, Mobil Oil divided car drivers into customer groups -- e.g., "road warriors," "homebodies," "fast, food, fuel" -- and targeted the ones that favored speed and convenience. Sounds easy, but Charles Schwab & Co., historically a discount brokerage firm, ran into trouble when it tried to serve more affluent markets beyond its core. The move opened Schwab up to competition from more aggressive discount brokers, such as T.D. Waterhouse.

The third imperative -- securing a "differential advantage" over competitors -- is closely related to the second. It requires companies to exploit their special claims to value. Mr. Capon points to the Rochester, Minn.-based Mayo Clinic as a "brand" that, because of its long and distinguished history, can boast a patients-first approach to medical care that is second to none. Mayo was a pioneer at gathering doctors with various specialties into one place so that medicine could become a "cooperative science."

Pfizer Inc.'s success with drugs such as Lipitor provides an example of more than one imperative. Like Target, Pfizer uses its sales force, the largest in the industry, to gather information from the field. It has also survived marketing ordeals -- Viagra advertisements came under FDA scrutiny at one point for seeming too "recreational" -- by adjusting its "systems" to better serve customers (imperative four). Mr. Capon mentions that in 2004 it switched its sales-force model "from multiple salespeople calling on the same physician" to a new one that divided salespeople into "therapeutic categories." Pfizer is also extremely good at "measuring what matters" (imperative five), for instance by tracking 32 steps in the prescription process and 100 "additional steps between prescription and sale."

Mr. Capon ultimately aims to write a guide to help any company become a top marketer. He sticks to the five imperatives like commandments, making "The Marketing Mavens" a straightforward read. The book ends the same way it begins, by urging businesses to make their consumers their "core assets."

While Mr. Capon painstakingly supports each of his imperatives with company examples, he smartly acknowledges that even long-term winners aren't perfect. Describing personal-computer giant Dell's rise to the top in the 1980s and 1990s and its decline in recent years, he says that he panicked, late in his book-writing effort, wondering whether he should include Dell, as he had first planned. "But then, as I looked across the business landscape, I saw that all companies, good and bad, have their stumbles and missteps. What distinguishes the good companies from the bad is their ability to limit mistakes and minimize recovery time." Let's call that the sixth imperative.

Mr. Lawton is a Journal reporter based in San Francisco.

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