



HOW COKE, APPLE AND OTHERS USE MARKETING DOCTRINE

SEVEN WAYS BIG GLOBAL COMPANIES ARE SIMULTANEOUSLY PROVIDING GUIDANCE AND FLEXIBILITY TO THEIR MARKETING FORCE

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A number of the world's leading-edge marketing firms – Merck, Coke, Apple, Cisco – have adopted a firm-specific set of marketing principles – which we refer to as *Marketing Doctrine* – to guide the development of their commercial strategy and marketing plans. Our research indicates that roughly 10% of *Fortune 500* firms have adopted this marketing doctrine approach. Marketing doctrine represents the marketing belief system – or marketing philosophy – for a particular firm. It is the collective wisdom, experience, and marketing know-how of the firm. Marketing doctrine is not intended to replace marketing strategy – rather it is intended to provide a “school of thought” to guide marketers.

Why develop marketing doctrine?

What motivated Merck, Amgen, and others to develop and implement marketing doctrine? Our field research suggested a few common organizational dynamics that triggered the need for doctrine – the quality of market planning varied quite a bit by region, division, product area, and brand. This, indeed, is a fundamental marketing paradox for global firms – how can a firm *simultaneously* drive marketing standardization for more consistent decision-making while empowering marketers to adapt decision-making to individual circumstances?

Marketing doctrine affords firms an efficient way to address this dilemma. Marketing doctrine refers to a firm's unique principles, distilled from its experiences, that provide firm-wide guidance on market-facing choices. Our qualitative research with executives from diverse firms and our review of related literature on heuristics for decision-making suggests three main reasons for using this principle-based approach. First, principles are “thumb rules” distilled from experience. These thumb rules simplify decision-making. For instance, the principle of “launch early and iterate” of a market leader in digital products simplifies decision-making by emphasizing the importance of launching products quickly and obtaining feedback from real users rather than striving for perfection prior to a launch. Second, principles help address the classic consistency-flexibility dilemma that firms face. For instance, while the principle “Segment based on observable characteristics instead of unobservable characteristics” provides guidance (thus ensuring consistency), it provides few execution details (thus allowing flexibility). Third, principles are relatively easy to remember and communicate to others.

In our research, executives emphasized that a firm's marketing doctrine must focus on its most critical marketing choices rather than be comprehensive. For instance, a consumer packaged goods firm that operates in over 100 countries has eight principles. The technology firm, Apple, has doctrine with seven principles that focus on marketing issues. Further, while firms must learn from their managers' personal experiences at other firms, best practices of other firms, and theory, such learning is perceived as more credible when it is tested and refined within a firm's context. *Moreover*, knowledge that is grounded in a firm's history represents the shared knowledge of organizational members, which makes it unique and difficult for other firms to imitate.

Marketing doctrine at a life sciences company

One of the world's largest pharmaceutical companies embraced the concept of marketing doctrine. It developed a set of doctrine principles which were branded as ‘marketing principles’ within the organization. Overall, these principles provided the basis for developing marketing plans. We illustrate their seven key marketing doctrine principles:

- 1] Focus beyond the physician – develop a deep, visceral understanding of the full range of decision-makers and influencers
- 2] Segment based on observable characteristics instead of unobservable characteristics
- 3] Define the specific customer behaviors that, if changed, will disproportionately drive growth for the brand

- 4] Own *one* position. The position must be unique, relevant, credible, and memorable
- 5] Shape consumer perceptions by appealing to emotional benefits
- 6] Make disproportionate resource investments where we have leverage in the buying process
- 7] Use overwhelming force at launch – Concentrate marketing spend early in the launch cycle

Characteristics of “best-of-class” doctrines

The life sciences example provides an illustration of clear doctrine statements. Having reviewed the doctrines of over 30 firms and having completed “in-depth” interviews, document reviews, and analysis within 12 organizations, we have identified six characteristics that represent “best in class” doctrine:

1] Organization-Specific

It is tempting to take “off the shelf” principles and apply them to your organization. However, the more that the firm can use this process to identify principles that can drive their competitive advantage, the more likely that the principles will take hold and be adopted by the organization.

2] Explicit

Sound doctrine is often very clear and specific, leaving little question to its meaning.

3] Enduring

Sound doctrine tends to endure, cutting across time and circumstances. It is often gleaned from a history of successes and failures.

4] Fundamental

Doctrine tends to include those beliefs that are of central importance. It should not prescribe all beliefs and associated behaviors in every situation.

5] Guides decision-making and action

Doctrine should guide action. It should provide individuals with a starting point for thinking and a way to prioritize among a myriad of options.

6] Represents “either-or” choices

Doctrine should inform either-or choices. A doctrine principle that notes that the firm should be more customer-oriented is virtually useless – since there is no real alternative (i.e., should we not be customer focused?).

In summary, marketing doctrine is increasingly being used by leading edge firms to provide guidance to field marketing personnel in the development of their marketing plans. As firms increasingly focused on “simplification,” “localization,” and the need for a standard process, we anticipate that doctrine will increasingly be on the key levers that senior management can deploy to simultaneously provide guidance and flexibility to localize strategies to particular markets.

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