

# DOES MARKETING MAKE SALES SUPERFLUOUS? REVISITING LEVITT AND DRUCKER

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## ABSTRACT

*The limited view of selling used by Levitt and Drucker can be attributed to: (a) the influence of Taylor's principles to the field of sales; (b) confounds from the level of analysis and (c) the use of anecdotal evidence on companies of mass production. The effect of context and the level of analysis on the interpretation of their arguments are critically evaluated. How the redundancy statement gets influenced by the product and market complexity, its interpretation in relation to the new meaning of sales, stakeholder view of marketing and other contemporary discourses at the interface of sales and marketing are also discussed to articulate the importance of sales as a complement to marketing.*

**Keywords:** Sales, Marketing, Levitt, Drucker.

## INTRODUCTION

*"The role of marketing is to make selling superfluous"* (hereafter, called redundancy statement) can be traced to the thought of two of the great management thinkers-Theodore Levitt and Peter Drucker. Levitt propagated similar ideas in his classic *"Marketing Myopia"* (Levitt, 1960) and viewed sales as a function to dispose of the products made by the manufacturer. Drucker wrote about marketing vs. selling in *Management: Tasks, Responsibilities, Practices* (Drucker, 1974) and in his subsequent works. He viewed marketing and sales as antithetical rather than synonymous or even complementary. We analyse the redundancy statement critically and analytically by examining the interplay of the independent and joint effect of contextual, semantic, and competitive factors, which plausibly confound the interpretation and ecological validity.

Before proceeding, let us consider Thorngate's (1976) postulate of commensurate complexity which states that it is impossible for a theory to be general, accurate, and simple, all at the same time. We will argue in the following discourse that, given that the redundancy statement was based on anecdotal evidences, its simplicity, which is also its strength and the reason for its popularity, is achieved at the cost of generalizability and accuracy. Monopolies or strong oligopolies, which were prominently used to develop the arguments, are only a limited sub-set of current economic order. Level of analysis adds to the problem and dilutes the accuracy of the claim. When statements about marketing and selling of individual firms are made, level of analysis has to be confined to individual-level firms; however, Levitt's analysis was at industry level. In sum, the *'selective'* set of evidence and level of analysis undermines the generalizability and accuracy of the redundancy statement.

## Context

Context is a major factor influencing the validity of statements or theories because they cannot be detached from their context and generalized (Weick, 1976). Schlenker (1974) argues that a context-dependent theory, is based on a series of if-then conditionals, is specific and less parsimonious, and has limited application. We now briefly examine the contextual factors in which the redundancy statement is rooted.

Traditionally, management thinking in the post-world war era has relied on military metaphors and learning's from military contexts (Dixon & Tanner, 2012). Production and operational efficiency enjoyed more focus, and sales were just considered as a supporting function. Management scientists such as Taylor (1914) enjoyed strong scholarly following, which proliferated into diverse fields including sales “...if sales was a process, then it can be managed like an assembly line”. Levitt and Drucker were not “*volte-face*” to this tradition of military style functioning of sales, while marketing-a late entrant-gained a more liberal status, at times epitomized to reside in the ivory tower of contemporary management practice (Carpenter, 1992). Therefore, sales were then viewed as an extension of the assembly line, whose function was to get rid of the manufactured goods.

Thus, Levitt and Drucker made such observations undermining sales in an era when the focus of the firms was on production capabilities and efficiencies. High focus on production then was due to the high profit possibility by reducing the cost per unit by focussing all efforts on production. In Marketing Myopia, Levitt's argument was influenced by his selection of firms focussing on mass production to provide the anecdotal evidence; because of which firms have to focus on selling to get rid of the excess produce. Drucker also used a similar myopic view of selling where the focus is on just getting rid of the overproduced.

## Semantics

We now see how the context influenced the meaning of ‘sales’ at the time when the redundancy statement was made. The previous section described a somewhat delimiting view of selling, which can be attributed to: (a) the application of Taylor's principles to the field of sales, and, (b) excessive focus of companies on mass production. This view of selling has no focus on the value co-creation and relational exchanges between buyer and seller (Sugathan et al., 2017b & 2017a). It views the selling as pure economic transactions motivated by the tips and tricks used by the seller (Levitt, 1960). What is on offer for sale is determined by the seller and not by the buyer? In contrast, in market-oriented view or in customer-centric view, product and production are means of satisfying the needs of the consumer (Narver & Slater, 1990).

Thus, the meaning used for selling is limited, and does not compare well with the currently accepted view of sales which is more holistic in nature. Hence, the redundancy statement might only apply to limited contexts and is not in-line with the contemporary scholarly viewpoint.

## Contemporary View of Selling

Following the Sales Educator's Academia (SEA) in 2011, a new definition of selling is proposed, “*Selling is the phenomenon of human-driven interaction between and within*

*individuals/organizations in order to bring about economic exchange in a value creation context*" (Dixon & Tanner, 2012). This new definition suggests that selling objective is not just promotion but value exchange. The definition also signals the important role of the context of exchange. Thus, new meaning of selling imparts more important function to selling in the marketing domain, and is more close to the current marketing practice.

## **Product Complexity and Competition**

Now, we argue that even with such a restricted meaning of selling which was used by Drucker and Levitt, avoiding selling might be difficult due to product and market complexity in modern times (Cespedes, 1992). Specifically, even when we adopt the view that selling functions to dispose of the produce, increased product complexity and competition makes sales indispensable. We therefore suggest that we may never reach the ideal that Drucker contemplates where selling becomes superfluous.

### **Product and Market Complexity**

Due to product complexity, selling is unavoidable in modern times. Marketing's role was found to be limited in high-tech firms (Workman, 1993). Most of the products carry complex information that a normal consumer will find difficult to analyse and make decisions. Salesman often performs the role of educating the consumer, sensing consumer's difficulties in using/understanding the product, and helping product improvement and development (Ernst et al., 2010; Kotler et al., 2006); who knows better regarding the consumer needs than the salesman who is in contact with the customers (Davis, 1965)?

It has to be noted that personal selling is used more with expensive, risky, and complex goods and in markets with fewer and larger sellers (Cespedes, 1992). Regardless of whether marketing function is effective or not, it will not be able to remove the need for selling, specifically in the industrial or business market (Lane, 2009).

### **Competition**

Levitt has based his anecdotal evidence on monopolistic markets such as oil and railways or strong oligopolistic markets such as the automobile industry. Therefore, within industry competition is not factored in the arguments. Similar to his contemporaries, he was only concerned with competition across industries, and not within. Just designing products satisfactorily according to consumer needs may not be sufficient in a competitive world. Further, in many consumption situations, customer needs are latent and firms need to proactively innovate solutions and sell them to customers (Schneider & Bowen, 1999).

Drucker also neglects the important role of competition. In the ideal marketing world, it is assumed that consumers would readily adopt products. However, this may not be the case when many competing companies are offering the same product; companies then supplement their products with selling efforts to delineate the finer details and differentiate across seemingly similar offerings. Therefore, Drucker argues, that what a market-oriented firm offers for sale is determined by the buyer, may not be true in the face of competition, because that would imply that all competing products are exactly the same (Dickson & Ginter, 1987). Even if product

differences are not there (for example, everyone offering a generic product), companies strive to differentiate their products and sell them based on their differences.

Since the ideal marketing situation does not exist and may not exist in future, due to product and market complexity and competition, and competition is the true test of market success, companies cannot avoid selling. In fact, without selling efforts, marketing alone cannot be profitable in a competitive and complex environment.

## CONCLUSION

In the early period, definition of selling was influenced by Taylor's principles and high focus on production, and subsequently sales received an antithetical meaning. Even with such a restricted view of selling, the redundancy statement does not hold when competition and product complexity are considered. Moreover, theoretical contribution and current ecological validity of the redundancy statement is questionable due to relevance of context and level of analysis. The generalizability and accuracy of the redundancy statement was discussed in spirit of Thorngate's (1976) postulates of commensurate complexity. The new definition of selling, in the modern context, is also evaluated. Selling is an important complement of marketing, and across contexts and product-types, they are mutually reinforcing, considering the new meaning of sales.

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