



## Durham E-Theses

---

*An enquiry into the theory and practice of marketing planning, with practical reference to chemical companies with head office in the N.E. of England*

Pipiliga-Myrianthis, Alice Mary

### How to cite:

---

Pipiliga-Myrianthis, Alice Mary (1975) *An enquiry into the theory and practice of marketing planning, with practical reference to chemical companies with head office in the N.E. of England*, Durham theses, Durham University. Available at Durham E-Theses Online: <http://etheses.dur.ac.uk/9917/>

### Use policy

---

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in Durham E-Theses
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full Durham E-Theses policy](#) for further details.

AN INQUIRY INTO THE THEORY AND PRACTICE OF  
MARKETING PLANNING, WITH PARTICULAR REFERENCE TO  
CHEMICAL COMPANIES WITH HEAD OFFICE IN THE N.E.  
OF ENGLAND

BY

ALICE MARY PIPILIGA-MYRIANTHIS

Being a thesis submitted to the Faculty of Social  
Sciences, University of Durham, for the fulfillment  
of the M.A. degree, Management Studies.

The copyright of this thesis rests with the author.  
No quotation from it should be published without  
his prior written consent and information derived  
from it should be acknowledged.

June 1975  
Durham, England

## ABSTRACT

The present work is primarily dealing with the results of a survey carried out in the Chemical Industry of the North East of England. The main object of the study was to assess the extent to which marketing concept has been accepted and implemented by this Industry.

The examination of the companies was based on data collected through questionnaire, and covered the following points:

1. Estimation of the present situation.
2. Data required for establishing objectives and strategies
3. Strategies adopted.
4. Existence of written Marketing Plan.
5. Organization of the Marketing Department.
6. Attitudes expressed towards marketing statements.
7. Definition of the term "Marketing".

Finally comparison of the present findings with results already available in the literature has shown that the Chemical companies of the N.E. of England follow the general trend towards marketing orientation which has been identified in most of the British Industries.

### ACKNOWLEDGEMENTS

The work described herein was carried out in the Business School, University of Durham, under the supervision of Mr. L.S.Wilson, Lecturer in Marketing, and Professor C.Baker, Head of Business School, whose direction, constructive criticism and encouragement are gratefully acknowledged.

I would like to express my debt to Mr. E.Tanenbaum for his help during the via computer data processing phase of the research.

Also, thanks are due to Mr. A.Gibb, for his guidance and constructive discussions in the early stages of the project.

Mr. D.Bradley of the T.D.I. branch, Newcastle upon Tyne, was good enough to provide me a list of the Chemical companies of the North East area.

I am indebted to all anonymous Managing Directors who properly responded to the questionnaire. Their attitude contributed a great deal to the research programme which attempted to throw some light on the state of Marketing, as far as the Chemical Industry of the North East of England concerns.

Finally, thanks are due to my husband Michael, for his never-failing interest and encouragement throughout the research.

TO MY PARENTS

## CONTENTS

Introduction	page	I
<b>I. THOUGHTS ON MARKETING</b>		
I.1 What is marketing		3
I.2 Marketing and Selling		5
I.3 Evolution of the Marketing Concept		6
I.4 Implementation of Marketing Concept: problems and benefits		10
<b>2. MARKETING PLANNING</b>		
2.1 The need for planning		12
2.2 Marketing Planning		14
2.3 Contents of Marketing Plans		15
2.4 The Planning Procedure		18
a. Setting objectives		21
b. Analysing the situation		22
2.5 Strategies needed for the achievement of objectives		
The concept of the Marketing Mix		25
2.6 Marketing Planning and Corporate Planning		27
2.7 Existence of Marketing Plan: Benefits		30
2.8 Organization of the Marketing Department		31
2.9 Proposed form of Marketing Planning process for use during the research		34
<b>3. RECENT SURVEYS</b>		36

4. BASIC CHARACTERISTICS OF THE CHEMICAL INDUSTRY	
4.1 Definition of the Chemical Industry	43
4.2 Marketing and the Chemical Industry	45
4.3 The Chemical Industry today	47
5. THE SURVEY	
5.1 Objective	49
5.2 Methodological problems	49
5.3 Advantages and disadvantages of questionnaires	50
5.4 Type of questionnaire used	52
5.5 Sample	57
5.6 Methodology and analysis	57
6. RESULTS OF SURVEY	60
A. Large and Medium companies	61
B. Small companies	74
C. Industrial and Consumer companies	87
D. All companies	90
7. SUMMARY AND CONCLUSION	122
REFERENCES	126
APPENDIX I The questionnaire	135
APPENDIX II The letter	147
APPENDIX III Definitions of Marketing by Marketing Executives	149

APPENDIX IV	Companies including in the Chemical Industry	I53
APPENDIX V	Scale used during the analysis	I55
APPENDIX VI	Relations examined by chi square analysis	I58
APPENDIX VII	Responses to Marketing Statements by Marketing Executives	I72



## INTRODUCTION

Since World war II, a new management philosophy has emerged, the most popular name of which is the "marketing concept". The objective of this philosophy is the integration and coordination of all marketing activities, in association with all other business functions, for the purpose of maximizing long-term profits and satisfying consumer needs and wants.

Some of the basic elements of the various definitions given to marketing concept, are as follows:

1) Customer orientation, 2) integration of all elements of the marketing mix, 3) more emphasis on the research, innovation, and planning functions.

Some of the above elements are not new, they have been suggested and discussed earlier in the century. What is new, is the arrangement of these ideas and concepts under a single heading and the formation of an integrated management philosophy -that is the "marketing concept".

Since then a plethora of articles have been published, and many aspects of marketing have been developed. It has been defined as a way of business life, a fundamental of business, or a basic necessity for running a successful business regardless of size, type of industry or any other classificatory dimension. "The marketing view", says Drucker (1961), "...puts in its centre the unique and specific purpose of business enterprise, the purpose of economic performance".

However, despite the rapid development of the marketing concept as a new philosophy, and the widely acknowledged

validity and universal importance of adopting this new philosophy, there are still many businesses that are primarily product or process-oriented rather than market-oriented. Also, there is a lack of sufficient empirical evidence on how far the marketing concept is accepted and implemented in various sections of British Industries.

The present study is specifically confined to the investigation of the situation in the Chemical companies of the North East of England, and attempts to throw some light on the marketing status of this industry, and to highlight the possible differences between companies of different size.

## I. THOUGHTS ON MARKETING

### I.I. What is Marketing

Marketing has been defined by one person or another as a business activity; as a group of related business activities; as a trade phenomenon; as a frame of mind; as a coordinative, integrative function in policy making; as a sense of business purpose; as an economic process; as a structure of institutions; as the process of exchanging or transferring ownership of products; as a process of concentration, equalization and dispersion; as the creation of time, place and possession utilities; as a process of demand and supply adjustment; and as many other things. (Marketing Staff of the Ohio State University, 1965).

In particular, Felton in 1959 defined it as "a corporate state of mind that insists on the integration and coordination of all marketing functions which, in turn, are melted with all other corporate functions, for the basic objective of producing maximum long-range corporate profits". McCarthy as "the performance of business activities that direct the flow of goods and services from producer to consumer or user, in order to satisfy customers and accomplish the firm's objectives". Kotler (1972a) as the "set of human activities directed at facilitating and consumating exchanges" and Mazur as "the delivery of a standard of living to society".

What the above statements testify is that there is no universal agreement on what marketing is. Each of the concepts may be appropriate for a given person, at a given time, when

examining marketing problems from a given point of view.

However in 1965, the Marketing Staff of the Ohio University, in order to reexamine and clarify the nature and purpose of marketing, formulated the following definition: "Marketing is the process in a society, by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services".

The best way to understand the complicated nature of marketing, is to describe and examine each of the activities it covers, in turn, as Foster did. (1972a). He described marketing as the "management function that embraces all the commercial activities of a company and through the use of marketing research, statistical methods for measuring demand and market models, identifies, assesses and attempts to satisfy customers requirements to achieve growth and optimum profit and sales both in the short term and over the longest possible period of time. It seeks to secure the long-term survival of an enterprise by achieving a balance between its profit-making responsibilities to the company and the company's legal and social responsibilities to its customers and society at large. Its operations should be modified by consideration of the wellbeing and safety of its customers and the society in which it operates".

So the nature and purpose of marketing, given by the Marketing Staff of the Ohio University, together with the description of its functions given by Foster, can be seen as two basic elements in the understanding of its real meaning.

## I.2. Marketing and Selling.

Some mention should be made here on the relation between marketing and selling. What many people think, is that they are the same, or rather the same activity. And this was nearly true some years ago. Marketing was little more than selling in the thinking of most businessmen, during the first part of the twentieth century. The job of marketing department was to move goods which had been designed and produced by the production department - goods which were often designed with little consideration for the end user. (Weeks & Marks, 1969).

Today the difference between marketing and selling is more than semantic. Selling is generally concerned with the plans and tactics of trying to get the consumer to exchange what he has (money) for what the enterprise has (goods or services). Marketing is primarily concerned with much more sophisticated strategy of trying to have what the consumer wants.

"Selling focuses on the needs of the seller, marketing on the needs of the buyer. Selling is preoccupied with the seller's need to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it. (Levitt, 1960).

Clearly marketing is wider and more important than selling, which only forms a part of the whole. It is not concerned with selling the output of a given input of capital,

equipment, material and labour, but with so adjusting the input that the output can provide a consumer satisfaction. It can be stated then that the more marketing-orientated the company is, the less the need for selling within it.

### I.3. Evolution of the marketing concept.

Modern marketing has two different meanings in the minds of people. One is that of selling, influencing, persuading. It is seen as a dangerous technology, persuading people on buying things, they either do not want or which are bad for them.

The other meaning which unfortunately is weaker in the public mind, is the concept of serving and satisfying human needs.

This concept, was first introduced in the U.S. business twenty years ago, and soon attracted the attention of marketing executives and educators.

Initially, the main characteristic of the American economy was the insufficiency of goods and services and the question was how to increase the output. The general tone of the period was one where the demand exceeded the supply and the purpose of marketing by then was how to solve business problems relating to distribution. Obviously complicated marketing techniques were not essential for the efficient performance of the economy. The majority of the companies in this period were product oriented.

By the early 1950's a new business environment emerged, forcing business management to change its direction from production to consumer orientation. The basic people's needs for food, clothing, and transportation had been satisfied and the question now was what other needs they might have. At this period the increase of the level of profits through a continued concentration on the production process, was difficult if not impossible.

As this became increasingly obvious, the management philosophy of production orientation, which had dominated the first half of the twentieth century, was pushed aside and business turned more of its attention on satisfying the needs of the consumer.

At this stage the concept of marketing has been changed to that of "analysing, organizing, planning and controlling of the firm's resources, policies and activities, in order to satisfy the needs and wants of chosen customer groups at a profit. (Arthur & Schaefer, 1972).

By then a plethora of articles, on the marketing concept and its implementation, had appeared in the business literature. All of them focused on the consumer and his wants. They pointed out that "if marketing is to progress, executives must broaden their image of it, and they must come to think of it as a field of knowledge about human wants and their satisfaction, not just as a melange of product tests and selling operations". (Newmann, 1957). Or, "management must think of itself not as producing products but as providing customer-creating value satisfactions. It must push this idea -

and every thing it means and requires - into every nook and cranny of the organization". (Levitt, 1960).

In an article appearing in 1960, under the title "The Marketing Revolution", R.J.Keith says, with reference to the Pillsbury company:

"... If we were to restate our philosophy during the past decade as simply as possible, it would read: "We make and sell products for consumers".

The marketing concept was a great step forward in welding the functions of business with the interests of consumers. The business profits became tied to how well the company succeeded in pleasing and satisfying the customer. According to Drucker "what customer thinks he is buying, what he considers as 'value' is decisive - it determines what a business is, what it produces and whether it will prosper". (1963).

Thus, consumer satisfaction, became the essence of the marketing concept.

Some of the basic elements of the various definitions given to marketing concept, are as follows:

a) Customer orientation, b) Integration and coordination of the marketing activities, c) Customer's satisfaction at a profit.

So the definition of marketing concept as it emerges from the previous discussion is more than a mere list of the activities it covers, it is rather a definition of attitude within the firm which demands absolute customer orientation.



It is a managerial philosophy concerned with the organization and the control of total company effort for the purpose of satisfying customers in ways compatible with the profitability of the company.

Marketing must be seen as a way of thinking, a way of approaching and solving problems, as an attitude within the firm towards the satisfaction of its customers.

The definition of marketing which accomplishes the above requirements and which has been used during the present research is that expressed by Kotler (1969b) :

"The sensitive serving and satisfying of human needs".

I.4. Implementation of Marketing concept: problems and benefits.

The implementation of the marketing concept, was a very big challenge, but the change from a production or sales oriented company to one that is marketing oriented, was not a simple one. Due to the various changes required in the organization structure, management was confronted with a lot of resistance. Felton (1959), argues that "even among those companies which have embraced the concept, there are those that do not recognise certain organizational weaknesses which impede profitable functioning in this area". He groups the basic failings under four headings, the follows:

- a. Lack of comprehension of the highly professional marketing job necessitated by today's competitive market.
- b. Unsound organizational structure.
- c. Lack of top executive ability.
- d. Overconcern with personal aggrandizement.

However in today's market where more goods and services are produced than consumed, the right implementation of marketing concept is more than a necessity, <sup>it</sup> is a matter of survival.

The basic elements of the marketing concept are the satisfaction of the customers at a profit and the effective coordination and integration of all the activities within the organization. Firms that have fully understood the marketing concept can plan their marketing activities in a better way. They focus in their customers needs and wants and they select those that the company is best equipped to satisfy. This process helps them to select correct market targets and to set

realistic and carefully defined objectives.

The satisfaction of consumers becomes the economic and social justification for the firm's welfare and existence, and therefore, all resources in the organization must be mobilized toward understanding and satisfying customers' demand.

Under the light of the marketing concept the firm must "adjust all its activities to the needs of the customer or potential customer" (James, 1972), and change its attitudes to become consumer-orientated. "What is important is not so much to do things right but rather to find the right things to do". (Drucker, 1964). So the development of new or improved products which are in accordance with customer needs and attitudes, not only minimizes the number of new products failures, but also reduces the need for persuasion through advertising, and makes selling easier. It is understood that selling itself is most successful when it is concerned with products which are compatible with customer requirements.

Finally, since change is the basic characteristic of any market, the role of marketing is to anticipate and adapt to this change. The major benefit to a firm which has realized the fullest potentialities of the marketing concept and has implemented it correctly is this ability of converting the environmental changes to its advantage. The adaption to the external change with internal change, with the view to continue to satisfy customers profitably and efficiently is what the marketing philosophy is really all about.

## 2. MARKETING PLANNING

### 2.1 The need for planning.

"If you don't know where do you want to go, any road will lead you there." This quotation from Professor Levitt, contains much truth. It is rather difficult for a company to survive and prosper for a long time, without some sort of plan.

However, the need for planning today is much stronger than ever before. The complex management techniques, the rapid increase in the rate of technological change, the human relations problems, and the enormous bulk of information needed to be considered for a right decision, are some of the problems with which top management is confronted. As competition moves faster and captive markets become less stable, companies are beginning to realise that the need for clear realistic planning is of great importance. Thinking through objectives, and selecting the appropriate strategies to achieve them, is not only vital for the growth and profitability of a company but may even be necessary for it to survive.

Planning expressed in simple terms, involves decisions "today" on what to do "tomorrow". Or in other words, planning is deciding in the present what should be done, to attempt to achieve a stated position in the future.

Fayol's (1949) writings, provide a convenient starting point when we seek to define the word "planning". He expresses planning as a process:

"The plan of action is, at one and the same time, the result envisaged, the line of action to be followed, the

stages to go through, and the methods to use."

For Fayol, planning meant: "both to assess the future and make provision for it." This definition has been accepted by many writers.

Terry (1960), in his "Principles of Management", defines "planning" as: "The selecting and relating of facts and the visualization and formulation of proposed activities, believed necessary to achieve desired results."

Scott (1965), defines "planning" as follow: "Planning is an analytical process which encompasses an assessment of the future, the determination of desired objectives in the context of that future, the development of alternative courses of action to achieve such objectives, and the selection of a course (or courses) of action from among these alternatives."

Planning may also be viewed as an extension of the input-output theory, developed by Professor Wassily Leontief of Harvard: "Most planning is the attempt to exercise such foresight with respect to the anticipated outputs of an organization so that the inputs can be utilized with maximum efficiency."

The great contribution of planning to business management, is that it helps to minimise the risk and to cope with the world of change. The unstable environment in which every enterprise operates, makes planning much more difficult, but it also makes it much more necessary. It is well known that "the future does not happen, it has got to be made to happen." (Armstrong, 1973). And business planning is based on the belief, that, even though the future is uncertain, one can do something to make it better than would otherwise be possible.

## 2.2 Marketing Planning.

One of the most important parts of business planning, is marketing planning.

Marketing planning is concerned with the dynamic relationship between a company and its environment, both of which are in a constant state of change. It suggests how business assets may be profitably redeployed, so a company may maintain a competitive position, in changing markets through adaptive innovation and product succession. It provides guides about what has to be done, who is to do it, when it must be done, how it will be done, the cost of each element of the marketing mix and the results which are to be obtained. (Ward, 1970).

The formal marketing plan, is a written and systematic examination of objectives and the methods of reaching them, as opposed to informal marketing plan, which is largely verbal. One of the biggest advantages of putting formal marketing plans on paper is that the planner is forced to consider all of his problems and opportunities concurrently, finding the best solution instead of the most expeditious. He is obliged to examine the various projects simultaneously and to consider their possible interaction. In other words, marketing planning leads to synergy - the process by which two or more projects assist each other, and produce greater total effectiveness than the sum of the separate projects. (Ansoff, 1965).

### 2.3 Contents of Marketing Plans.

It is difficult to say what specific points a company's marketing plan should cover. No two companies have the same problems or opportunities. This is inevitable because the marketing plan, depends on the nature of the business and how it is organized to meet the market. So, a company must develop a format that is most useful to them.

The overall marketing plan, usually is built from separate plans prepared and submitted by the heads of the departments, within the marketing division.

According to Winkler (1972), these subplans are:

1. A product mix plan, which includes everything concerning the company's products.
2. The sales plan: will show the strength and direction of the selling effort over time.
3. The advertising plan: in companies laying great stress on this activity, may be quite complex in its make-up. In other companies it may be merely a statement showing the timing, nature and media to be used.
4. The sales promotion plan: will be set according to the nature of the company operation and its markets.

These four subplans are, according to Winkler (1972), the most common to all companies, but there may be some others of equal importance, depending on the type of company.

These are:

1. Physical distribution plan.
2. Market research plan.
3. Research and development plan.
4. Pricing plan.
5. Regional plan.
6. Market plan.

Another slightly different list of the elements of a marketing plan, is that proposed by Foster (1972a). This list is a mixture of the subplans and the planning procedure, we must follow and includes 18 steps:

1. Subject: a brief statement of the product groups or activities covered by the plan.
2. Period: specifies the time duration.
3. Products: sets out in detail the product groups.
4. Objectives: specifies the targets for each year of the plan, for profit, sales, market shares, return on assets managed.
5. Basic campaign plan: summarises the basic operations envisaged in the plan.
6. Sales targets: tabular form for sales targets by product, area, salesman, etc. for each year of the plan, by monthly or other reporting periods.
7. Profit targets: does the same for profit targets as 6 does for sales targets.
8. Market shares: A series of tables showing the market shares to be gained.
9. Product plans: shows what products have to be modified, how and when, and the ones to be rationalised.
10. Pricing plans: states the pricing policies and prices to



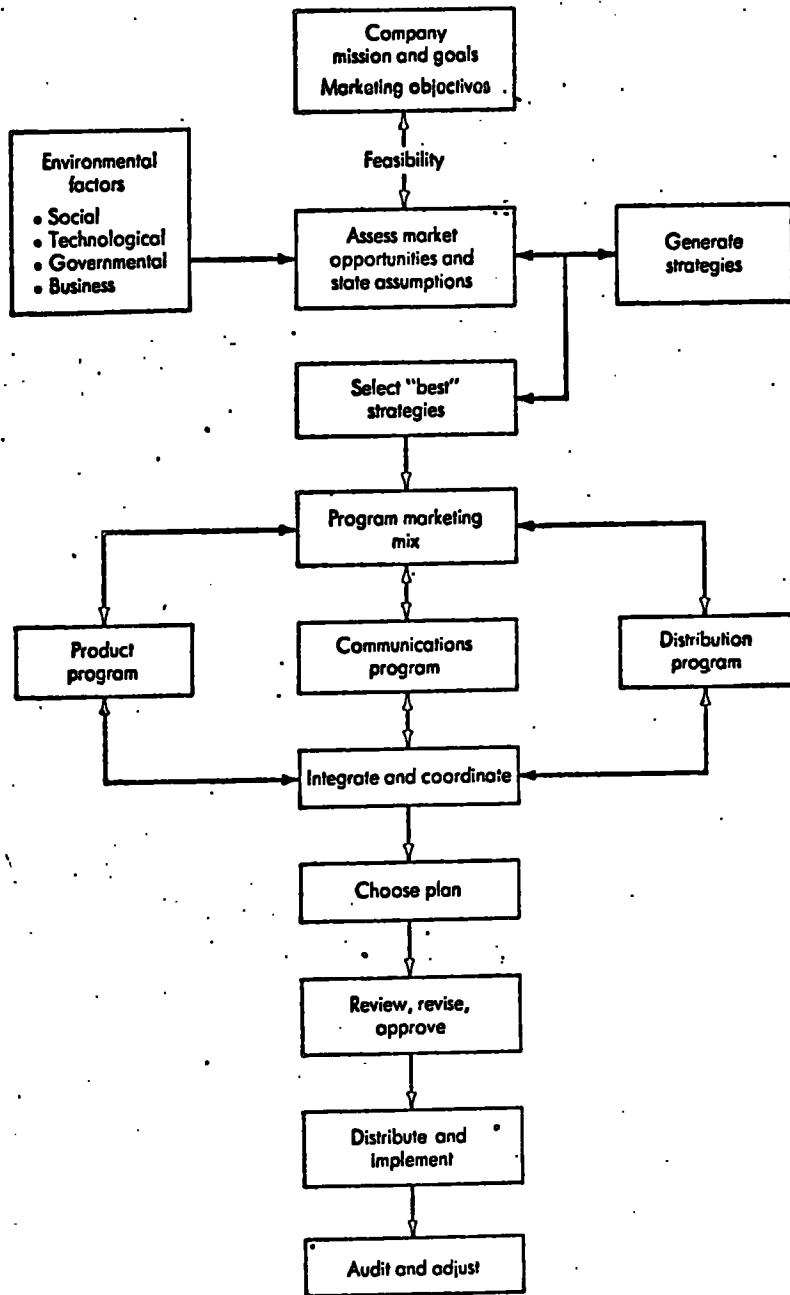
be followed.

- II. Sales campaigns: sets out in greater detail the facts summarised in 5.
- I2. Advertising and sales promotion: details the advertising and the sales promotion to be launched in support of selling.
- I3. Distribution: sets out the distribution methods and networks to be used.
- I4. Competition: a summary of competitive situation.
- I5. Research and development: a summary of the modifications and development work needed to keep products and company competitive.
- I6. Finance: all the previous sections containing or involving costs, should state them clearly.
- I7. Organization: states the organization required to carry out the plan.
- I8. Training.

Finally, Stern (1966) proposed the following marketing planning process. (Figure I).

The main characteristics of successful planning is flexibility and adaptability. The very existence of some uncertainty requires that a degree of flexibility should exist in any plan. Adjustments will need to be made from time to time, as further information becomes available or unforeseen circumstances arise.

FIGURE I



The marketing planning process.

Source: Stern "Marketing Planning: a systems approach"

#### 2.4 The planning procedure.

There is no agreement on the planning procedure a company might follow. Pearson (1959), proposes four elements, around which any company can build a comprehensive marketing plan.

These elements are:

1. An appraisal of the company's or products' strengths and weaknesses.
2. A definition of the assumptions on which the company's plans have been based.
3. A statement of the goals sought and,
4. A list of the major programmes to be employed in achieving the goals.

Foster (1972b), proposes the following steps for the planning procedure:

1. Analysis: where is the company now and why is it where it is.
2. Prognosis: where is the company going or where can it go.
3. Strategy: what are the ways of getting there and which is the best.
4. Tactics: what programmes of action are required.
5. Control: which activities need to be watched, what results analysed and assessed, and finally what corrective action is needed.

Finally Winkler (1972) systematizes the planning procedure in ten steps, broken into two halves: situation analysis and programming.

Situation analysis involves two areas: diagnosis and

prognosis. After those come the stages: generating alternatives and objective setting.

The other half of the procedure involves programming. This includes strategy selection and tactics. We have six steps:

1. Choice of strategy: how are we going to reach the specific objectives.
2. Tactics: tactical questions concern the specific action which must be undertaken, by whom, when, and within what cost constraints.
3. Controls: identifying those measures in the organization which must be watched in order to indicate how well the plan is succeeding.
4. Tests: all marketing programmes involve some element of testing. The most obvious are test marketing schemes for new products.
5. Contingency planning: some marketing moves must be made in circumstances of great ignorance and some others may be at high risk. It is advisable to identify these elements and have available a procedure for dealing with the two contingencies which may arise: What will happen if we fail to meet this central objective? and what action should we take if we succeed overwhelmingly in this objective?
6. Review.

There is an argument concerning the steps: situation analysis and objective setting. It has been said that it is not possible to establish an objective without first having carried out the analysis to establish the present position.

This is something of a hen and egg situation. However, it is important, in the beginning of any plan, that management know where they want their company to be in the future.

According to Foster (1971): setting objectives first -even if they have to be modified later- helps to focus the attention of management on their prime task, obtaining adequate growth of return on the assets entrusted to them. It also helps to give them a measure of the scale and type of problems which have to be faced and overcome.

So it is necessary to set main objectives first, and after that, carry out the situation analysis with the objectives clearly in mind. It is obvious, that objectives may well have to be modified as the plan takes shape.

An other element that needs to be considered in this stage, is the time span of the plan. For some reason most planners think in terms of five or ten-years plans. But many plans for more than three years ahead are really forward projections, predictions, extrapolations, "guesstimates" or even pious hopes. (Armstrong, 1973).

The question should be asked: what is the time span for reasonable planning? The only significant factors, however, are: how far ahead can forecasts be made for the particular industry.

In industries undergoing a very high rate of technological change, or with a rapidly changing market situation, it may not be possible to look more than three years ahead; on the other hand in highly stable industries it may be possible to look ten years ahead. (Hargreaves, 1969).

It is important to remember that a plan is an intention to take definite action and anything five years ahead can only be a possibility.

a. Setting objectives.

According to Winner (1965), in setting marketing objectives planners should keep in mind three properties:

1. Multiplicity, the fact that organizations have many objectives.
2. Time, objectives need to be set for varying lengths of time, and
3. Level, the firm should have many levels of objectives, or a hierarchy of objectives.

He supports the view that a company may be equally interested in maximizing next year's profits, stabilizing profits, or in seeking opportunities for investments for the longer term. Therefore the planner must first understand the company's objectives and then derive marketing objectives from those.

Argenti (1968) argues that a company has one and only one, permanent, unalterable *raison d'etre*, namely to make profit. According to him, every action which a company may take if it believes that it will improve profits, is a means leading to its only objective, and not an objective by itself.

However, profit may indeed be the factor to be maximized in a particular case, but it cannot be viewed as the sole objective.

Much of the confusion which apparently exists about objectives can be alleviated by viewing objectives as a whole

framework or complex of "aims or ends of action", and other guiding considerations. (Granger, 1964)

Objectives must be clear, precise, unambiguous and verifiable. (Argenti, 1969). The most understandable type of objectives are quantitative objectives. For example, a goal to lower sales costs by 10 per cent, communicates both magnitude and impact, better than just a goal to lower sales costs.

According to Pearson (1959), quantitative objective connotes the strength of the action programmes that will be required to achieve it. Also it facilitates better measurement of progress as the plan is carried out.

Foster (1971), suggests the following quantitative objectives:

1. The level of profitability to be achieved.
2. The return on assets managed to be attained.
3. The sales turnover to be achieved over stated time.
4. The annual rates of growth to be realized.

The importance of quantitative objectives, however, does not imply that qualitative objectives are taboo in comprehensive marketing planning. Far from it. They are also important and useful in the planning procedure.

b. Analysing the situation.

Once objectives have been defined, the next step is to discover ways of attaining them. To do this, we have "to form some ideas about what actions of the firm, under what environmental conditions, have brought about the present

situation". (Winner, 1965).

The analysis of the present situation involves:

1. Analysis of the industry and the trade environment.
2. Analysis of the company itself and of the development in customers requirements, and
3. Analysis of the current competitive conditions.

The analysis of the environment in which the company operates is one of the basic steps in marketing planning. While the external trends cannot be changed by the company, it can plan for them and cope with them.

Logan (1960), has suggested a four-step procedure for conducting the situation analysis:

1. Investigation: a wide range of data that may be relevant should be sought.
2. Classification: the planner sorts the data collected during the investigation.
3. Generalization: classes of data are studied to discover relationships.
4. Estimate of the situation: causes are sought for the associations discovered in the previous steps.

The company's analysis is the analysis of all the trends that really count in a business. In that stage one has to examine not only the position that the company holds in the market, but the resources available as well and the better utilization of them.

Ultimately, regardless of what a company produces, the demand for its products will depend, to some degree or other



on changes in consumer demand, taste and motivation. The requirements of customers, and changes thereof, must be known before anything can be planned or produced.

Finally, we must have an appraisal of what competitors are doing with their product lines, prices or distribution, in comparison with company's own product line, market penetration or distribution methods.

Failure to appraise the competition, and possible substitute products, often results in overlooking these forces until long after they have become a serious threat.

This analysis of the past trends and the current conditions will give a realistic picture of the company's position in the market place and its strengths and limitations and consequently, of what it can reasonably hope to achieve.

At this stage we can draw certain conclusions about future operating conditions. The statement of the conclusions not only reduces the danger of planning in a vacuum, but also carries the analysis of trends one step further and forces the planner to focus their attention on the future shape and importance of the key external conditions. (Pearson, 1959). It helps them to identify the future conditions and consequently to plan better the future of their business.

At this point when we have examined the present conditions and the future trends, we have to reconsider the previously stated objectives and modify them, if necessary, in order to make them more realistic and more achievable.

2.5. Strategies needed for the achievement of objectives.

The concept of the marketing mix

The marketing mix process is an intermediary part of the overall planning process. It is the manipulation and the appropriate mix of the elements of a marketing programme, in order to have a profitable operation and to achieve the set objectives.

The "marketing mix" as a term is used to denote a particular combination of marketing variables which are controllable by an enterprise and which are used to appeal to a particular market segment. (Lipson & Reynolds, 1970).

The name can be traced to Professor Culliton, who in his study of manufacturers' marketing costs, in 1948, described the business executive as a "decider" an "artist" - a "mixer of ingredients".

After reading Culliton's description, Neil Borden (1964) wrote; "I like his idea of calling a marketing executive a "mixer of ingredients", one who is constantly engaged in fashioning creatively a mix of marketing procedures and policies in his effort to produce a profitable enterprise".

As a concept, marketing mix, is a means of organizing in a meaningful manner all of those variables controllable by the enterprise system that directly influence transactions in the marketplace.

There is no uniform agreement as to the composition of the marketing mix.

According to Borden (1964), what is required is : "the list of the important elements that make up marketing programmes (product planning, pricing), and the list of the forces that

bear on the marketing operation of a firm, and to which the marketing manager must adjust in his search for a mix or programme that can be successful (consumers' buying behaviour, the trades' behaviour, competitors' position and behaviour, and Governmental behaviour).

Frey (1961), uses two dimensions: the offering (product, package, and so forth), and tools (advertising, personal selling, and so forth). Kelley and Lazer, use a threefold classification under the product services mix, the communications mix, and the distribution mix. McCarthy (1968), uses a four-way classification for the mix variables, namely: product, price, place, promotion.

The four way classification is also used by Lipson and Darling (1968). They use four basic components: product, sale, distribution, and communication, and they break each down into four variables. It could be said that the contribution of this classification is the broadening of each component into a more explicit statement of the specific dimensions which make up the marketing mix.

The marketing man is concerned with selecting the best possible combination of marketing elements to arrive at a marketing mix, involving minimum costs and maximum profits. Balance of elements is also of vital significance in the mix if waste is to be reduced.

The marketing mix must obviously be customer orientated, and every step of it must be planned with the ultimate customer always in mind.

It is obvious that marketing mix is one of the most

important steps in marketing planning. The way that a company plans and mixes the marketing ingredients, when building a programme to meet its goals, is critical for its future and for its ability to adopt to the changing environment.

## 2.6 Marketing planning and Corporate planning.

Corporate long-range planning has been defined in different ways and it appears, there is some confusion about what it is meant by the term.

According to Hargreaves (1969) it is that form of long-range planning which is applied to a company to maximize the use of its whole resources and can be defined as:

"The planning of the total resources of a company for the achievement of quantified objectives within a specified period of time".

Also Perrin (1968) gives us the following similar definition:

"It is a systematic attempt to increase the rate of profitable growth of an entity in the long run".

One of the best and most understandable definitions is that of Foster (1972a):

"Corporate planning establishes a company's self identified corporate objectives and targets for a sufficiently long period of time into the future. These objectives and targets are based on a realistic assessment of the company's available skills, assets, strengths, weaknesses, and capabilities and the competition and the changing environmental factors relevant to its current and intended future business.

It indicates in broad terms the steps which each sector of the business must take to achieve the stated objectives and integrates these individual steps into an overall plan for the whole".

The corporate plan is prepared in less detail than the marketing plan and is primarily interested in identifying key targets, objectives, strategies and policies. Its time-scale should ideally be longer than that for the marketing plan. Thus, while corporate plan and objectives are broadbrush in nature, setting the immediate and longer term parameters to which line managers must work, marketing plans are shorter term, not more than five years in scale and are much more detailed.

The theory is that, when the corporate targets and policies have been set, the various departments must get down to making detailed plans, covering the marketing, production, personnel, and financial operations of the company. This involves taking the corporate targets and breaking them down into individual ones for each major department. Also marketing executives, after performing a series of depth studies into the product-market activities and the environment in which they operate, then evolve a series of marketing plans (one for each year), which meet both the requirements of the corporate plan and what is possible in the product-market situation they have selected.

From personal discussions with managers it is their experience that it is difficult to find which objectives have been set first, corporate or departmental. Many times corporate plan is not the primary one, from which all the

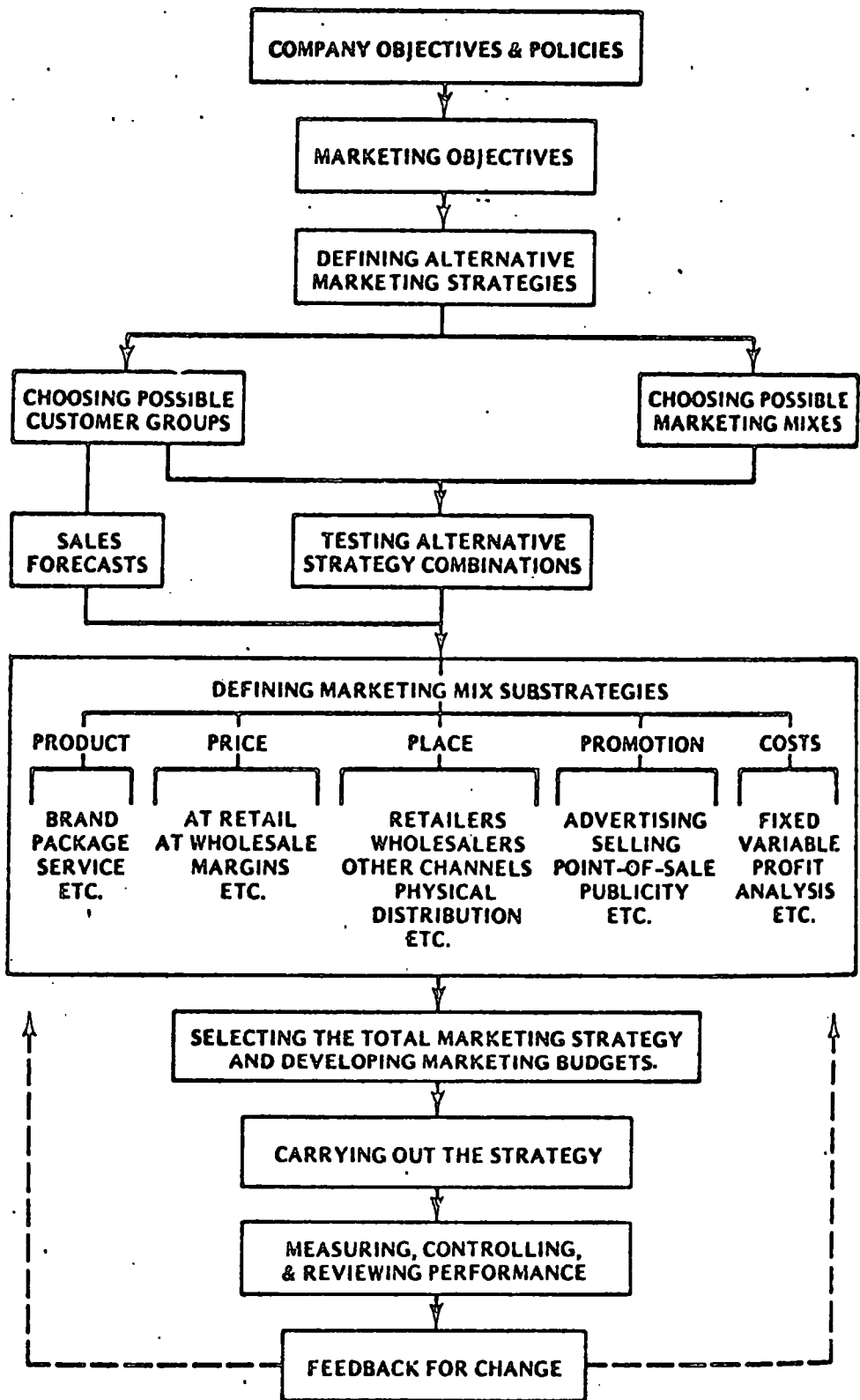
others must be derived, but a result of top management discussions with departmental heads, on what the latter see can be achieved, given the available skills, resources, and market opportunities.

The general framework of marketing planning, illustrated in figure 2, is proposed by Buzzell, Nourse, Matthews Jr. and Levitt (1972), and shows how marketing plans relate to overall business plans.

The contribution of the marketing plan to the corporate plan is very important. First, it makes corporate objectives meaningful. Without a direct linkage between corporate objectives and marketing plans, the objectives may become idealistic and impracticable. Second, marketing goals provide benchmarks for measuring progress towards corporate objectives. All managers can see how step-by-step achievement of divisional targets can lead to achieving ultimate purposes. Third, they provide a basis for managerial performance appraisal. Not only do they permit managers to see their contribution to corporate objectives, but also provide a standard, against which their performance may be measured. (Steiner, 1969). And finally and most important, because the marketing plan lies in the core of the corporate plan, it helps managers focus always on the consumer and its needs and wants.

**FIGURE 2**

The Marketing Planning process as derived from Company objectives.



Source: Buzzel, Nourse, Mathews Jr., Levitt "Marketing: a Contemporary Analysis".

## 2.7 Existence of Marketing Plan: Benefits.

The contribution of the marketing plan to the company's growth can be classified as following:

1. Gives firm direction to the marketing operation, inspiring staff to achieve ever improving results.
2. Eliminates confusion and misunderstanding between executives and departments, especially if all departmental plans are properly integrated with each other.
3. Sets targets against which progress can be measured.
4. Examines and suggests the various ways to reach the target set, and
5. Develops continuity of thought and action from one year to the next. (Foster, 1972b).

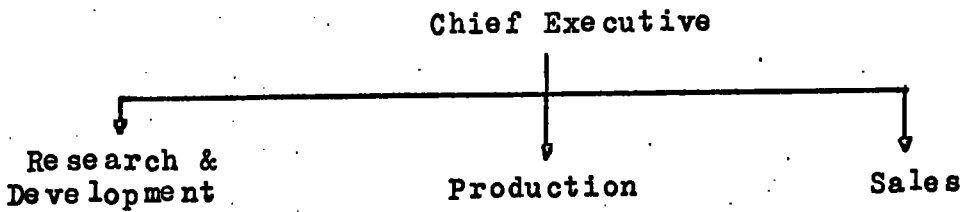
The central idea of marketing planning is to develop marketing objectives that will lead to attainment to the objectives of the firm, and then to device programmes and controls that will help to achieve these marketing objectives. However marketing planning is no guarantee that goals will be reached. What it does is to eliminate the risk and to exploit uncertainty in planning for the future. And as Drucker (1964) states: "The purpose of the work on making the future is not to decide what should be done tomorrow, but what should be done today to have a tomorrow".



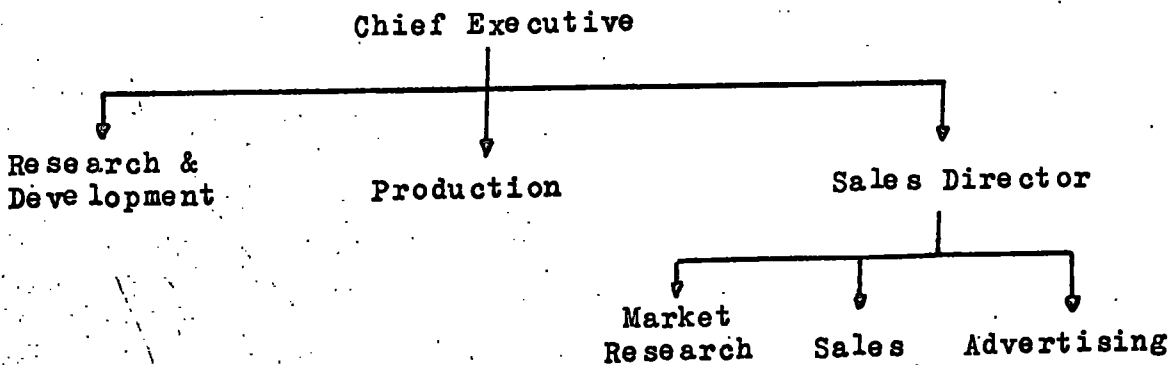
2.8 Organization of the Marketing department.

The change of a company from production-oriented to marketing-oriented, affects its marketing organizational structure. G.Wills presents this evolutionary viewpoint of marketing organization as follows:

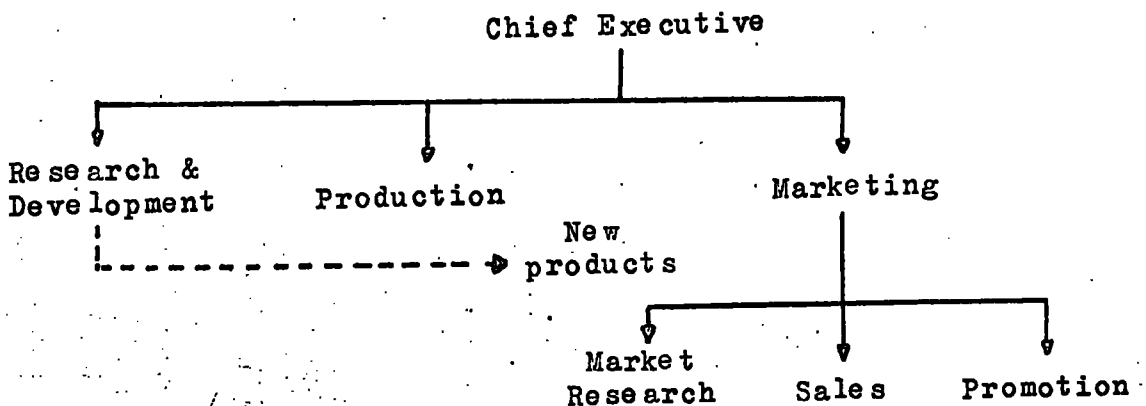
I. Production orientation



2. Sales orientation



3. Marketing concept orientation



The first form of the organizational structure is based on the production concept which relies on demand being greater than supply. At this stage goods were produced but there was no guarantee that they were based on the right criteria.

The sales orientation structure was the intermediary step for the marketing orientation.

As it was expected the implementation of the marketing concept which calls for customer satisfaction and for integration and coordination of the marketing department, affected the organizational structure of the company.

If the marketing concept is in force, the Chief Marketing Executive should be on the same organizational level as the Chief Production Executive and should have full control over all or most of the marketing functions. Also during the development of new products the company should consider its customers' requirements and try to satisfy its needs and wants.

However the marketing concept seeks more than the mere transfer of authority from Production or Sales Executives to Marketing Executives. It seeks the explicit promotion of marketing thought throughout the organization, since it has been defined as "an attitude within the firm which demands absolute customer orientation" (page 8 )

It is necessary then to distinguish between marketing as "thought-process" and marketing as "doing-process". Thus whilst the organizational structure of a company and its actual practice of marketing reflect the extent of the

implementation of the marketing concept ( doing-process ), the degree of acceptability of the concept is indicated by the managers' attitudes towards marketing and their appreciation of ideas advanced as the marketing concept ( thought- process ).

In the present research the mailed questionnaire gives responses to specific questions indicating the agreement or disagreement of the respondents. However, a manager may agree with statements which are part of the marketing concept because he recognises this is the thinking current in progressive companies but for reasons of personal inclination or environmental restraint does not implement these ideas. To discover how fully the marketing concept has been implemented would have required depth interviews and observation of the management process which was not possible in this study.

2.9. Proposed form of Marketing planning process for use during the research

The form of the marketing planning process that has emerged from this review can be summarised as follows:

I. Estimation of the present situation.

I.a. Development in customers requirements.

I.b. Analysis of trade environment.

I.c. Analysis of competition.

2. Data required for establishing objectives and strategies.

2.a. Product analysis.

2.b. Market analysis.

2.c. Sales strategy.

3. Strategies needed for the achievement of the objectives.

Marketing mix

3.a. Advertising and promotion plan.

3.b. Budget plan.

3.c. Pricing plan.

4. Existence of Marketing plan.

5. Organization of the Marketing department.

5.a. Status of the Chief Marketing Executive.

5.b. Title of the Chief Marketing Executive.

5.c. Responsibilities of the Chief Marketing Executive.

As it has been said (page 33) the examination of the above points will indicate the extent of the implementation of the marketing concept, however the degree of acceptability of

the concept will be showed by the examination of the following points:

6. Attitudes towards marketing statements.

7. Definition of the term 'Marketing'.

### 3. RECENT SURVEYS

A search for previous investigations related to the current research was made to determine their implications on it.

The results of this research are given below.

I. Lazo H. "Big business gives big O.K. to Marketing Management", Sales Management, November 1958, pp 33-88.

The aim of this study was to determine the extent to which membership on the board of directors reflects the adoption of the "marketing management" concept by big business.

2. Munsinger G.M. "Total Marketing: The role of the Marketing Concept in 112 leading Industrial Organisations", unpublished Ph.D. Thesis, University of Arkansas, 1964.

The purpose of this study was to determine the degree of emphasis given to Marketing, in a number of the leading United States industrial firms.

It was concluded that:

a. Almost all the firms had placed greater emphasis on marketing, during the past ten years.

b. Wide business experience and some understanding of marketing on the part of the Chief Executive, were necessary requirements for successful implementation of the marketing concept.

c. Firms in all types of industries had adopted the marketing concept. In fact 71% of the 112 firms have accepted and applied the marketing concept.

3. Lewis E.H. and others, "Growth of the Marketing Concept in manufacturing companies", University of Minnesota, 1964.

The aim of this study was to examine the growth of the marketing concept in manufacturing companies, the problems of its implication and the benefits that accrue from its adoption. The study reveals that:

"All the companies investigated recognised the marketing concept as broadening the marketing functions, but no pattern seemed to exist as to the exact areas of responsibility that should be assigned to marketing. In other words, an integrated marketing function which included advertising, sales, marketing research, product planning, physical distribution and the services incidental thereto, was the exception rather than the rule".

4. Carrol J.C. "Marketing Practices of Furniture Manufacturers in Arkansas", unpublished Ph.D. Thesis, University of Arkansas, 1965.

The aim of this study was to analyse the present marketing activities of Furniture manufacturers in Arkansas, and compare these activities with presently accepted marketing procedures and with marketing activities of large, nationally-known firms in the United States.

It was concluded that the need is urgent for these manufacturers to recognise fully the importance of marketing. Firms need to reevaluate their approach to marketing, to attain the potential growth and profits available.

5. Hise R.H. "Have manufacturing firms adopted the Marketing Concept?", Journal of Marketing July 1965, pp 9-12.

The aim of the study was to answer three questions.

- 1) Have American manufacturing firms really adopted the marketing concept?
- 2) Which basic philosophies of marketing are being stressed?
- 3) Which are being disregarded?

It was concluded that:

- a. To a large extent both large and medium manufacturing companies have adopted the marketing concept.
- b. The greater degree of acceptance is found in the customer orientation of marketing programmes and in the organisational structure of the marketing department, particularly in the status provided the Chief marketing executive.
- c. Large firms are more fully committed to the marketing concept than medium ones.

6. Baker and others "Permeation of the Marketing Concept in Yorkshire Manufacturing Industry", Graduate project, Management Centre, University of Bradford, 1967.

The aim of this study was to examine the structure of marketing organisations and the manner in which the marketing concept is embraced in Yorkshire Industry.

The conclusions from the analyses of 335 responses, were:

- a. There is a distinct lack of appreciation of the marketing concept in Yorkshire Industry.
- b. Wider marketing orientation was noted in the Food and Chemical industries, whilst the engineering, and to a greater



extent, the Textile industry, showed a lack of marketing awareness in their practices and attitudes.

c. The larger the firm, both by sales and by number of employees, the greater the tendency to understand and practice the marketing concept.

7. Carson D. "Marketing Organisation in British manufacturing firms", Journal of Marketing, Vol.32, April 1968, pp 34-39

The aim of this study was to determine the extent to which the marketing concept had been adopted by British manufacturers in the United Kingdom, "with specific regard as to whether and how British firms have applied the marketing concept in their home market, compared with the performance of American firms in the Unated States!"

The study concluded:

a. The unified marketing organisations has been widely adopted by a sample of British manufacturers, in recent years, even though the concept has been modified to accord with traditional British practices.

b. "Britain has shown that the basic concepts of the unified marketing organisation are inherently universal, rather than parochially American, confirming what has been learned earlier in Japan, Germany, Italy and elsewhere.

8. Saddik S.M.A. "Marketing in the Wool Textile, Textile Machinery, and Clothing Industries", Ph.D. Thesis, University of Bradford, 1969.

The aim of this study was:

1) To assess the extent to which the marketing concept has been

accepted and implemented, and

2) To identify the factors associated with acceptance and implementation or otherwise.

It concluded that:

a. The marketing concept is far from being fully accepted and implemented in the industries examined.

b. The only fact where a substantial compatibility with the marketing concept is found, is the type of organisation structures used. In all other areas of marketing, most companies have not fully applied the marketing concept.

9. Konopa L. J., and Calabro P. J. "Adoption of the Marketing Concept by Large Northeastern Ohio Manufacturers", Akron Business and Economic Review, Spring 1971.

The purpose of this study was to report some findings regarding the adoption of the marketing concept by large manufacturers in Northeastern Ohio. In other words to explore the relationship between the major marketing executives and the chief sales managers of large manufacturing companies in the Northeastern Ohio region.

The conclusions drawn from this study were:

a. Most large manufacturing establishments in Northeastern Ohio are still production rather than marketing oriented.

b. Survey results and interviews with executives show that there is a tendency in many manufacturing companies to view sales management as synonymous with marketing management, since they assign all of the marketing tasks to the sales manager.

c. In 10% of the establishments the president, executive vice

president and general manager handle marketing tasks along with their primary responsibilities.

This study, like several others conducted recently, tends to support the premise that the adoption of the marketing concept currently is more in the realm of fiction than fact. (Vizza, 1967)

IO. McNamara C.P. "The present status of the Marketing Concept" Journal of Marketing, Vol. 36, January 1972, pp 50-57.

This study attempted to reveal the extent to which the marketing concept has been accepted and implemented by U.S. business firms.

The two major hypotheses that were tested in the study, were:

- 1) Consumer goods corporations have tended to accept the marketing concept to a greater degree than have industrial corporations.
- 2) Large corporations have tended to accept the concept to a greater degree than have small and medium size corporations.

The findings of the study clearly supported the above hypotheses. Also it was concluded that:

"There is a movement toward the adoption and implementation of the marketing concept in American industry. However, the evidence suggests that total marketing control does not exist in consumer, industrial, large medium size or small companies".

II. Hayhurst and Wills G. "Organizational design for marketing future", University of Bradford, Management Centre, 1972.

The purpose of the study was to explore the extent to which British manufacturing industry had accepted the marketing concept, and the extent to which the customer had been placed first in the orientation of business strategies and policies.

The study concluded that the senior managers in a great many of the most important companies have an adequate awareness of the needs of the marketing concept and have shaped their activities into patterns which to a certain extent reflect the diversity and sophistication of the pattern of tasks required when accepting this concept. Also it has been found that sophistication in terms of acceptance of the marketing concept and willingness to apply it in operational terms is related strongly to size of company - whether this be measured in terms of turnover or number of employees - and to the principal nature of business activity.

From the previous research it emerges that most of the studies were carried out in the U.S. and were concerned with attitudes in the United States. Only four of them were carried out in the United Kingdom, and all but one revealed a lack of appreciation of the marketing concept, in the investigated industries. This underlines the need for more research in this area in the United Kingdom, and the present study is only one contribution, which would possibly be followed by others.

#### 4. BASIC CHARACTERISTICS OF THE CHEMICAL INDUSTRY

##### 4.1 Definition of the chemical industry.

One of the problems to be faced, immediately, when one considers the chemical industry, is the definition of it. Indeed, "chemical industry" is one of the most heterogeneous in the world. It lacks the simplicity of other industries where the bond may be a common single product, such as steel, or a common single service such as rail transportation. Its products range from large volume commodities, manufactured in units of several hundreds of thousands of tons annual capacity, to specialties produced at the rate of just a few tons, or even pounds, per year. (Clinkenbeard and Erdely, 1970).

Also, the boundaries of the industry have always been diffuse because its common bond is a broad and complex technology. The industry is typified by intricate product relationships, proprietary processes and intra-industry and inter-company marketing of much of its output. (Giragosian, ed. 1967).

In the book "The structure of American industry", Kahn describes the chemical industry, as follows:

"The chemical industry is the domain of a number of companies which history and business usage have marked as a fairly distinctive group, because employing a predominantly chemical technology they have supplied the basic chemicals used in industry. The membership of the chemical industry (or industries if you will) is not stable and there are many part time members; but there is a definable interdependent group which is worth studying as such".

The companies constituting the chemical industry, range in size from the multi-billion pounds giants to the small specialised firms. Also, very few of them supply the chemical industry only. Most also supply related-process industries (e.g. the petroleum industry), and many supply technologically related equipment and systems to a wide range of industries (e.g. sewage and effluent treating plant and equipment). (Trowbridge, 1970). Chemical companies are also expanding into other industries and non-chemicals companies into chemicals. Thus the classification of the chemical industry is not easy, due to the fact that it is really 30-40 different business.

Trowbridge (1970) has proposed the following grouping:

1. Producers of raw material for the chemical industry, e.g. mines, acids etc.
2. Producers of basic chemicals, e.g. chlorine, ammonia, caustic soda etc.
3. Producers of intermediate chemicals, e.g. xylene, benzene, ethylene etc.
4. Producers of end chemicals, e.g. plastics, pharmaceuticals, paints, fertilisers etc.
5. Producers of chemical industry finished goods, e.g. rubberware and plasticware, synthetic fibres, construction materials etc.
6. Service producers for the chemical industry, e.g. fuel and power, distribution etc.
7. Related process industries, e.g. food and beverage processing, pulps and paper, clay, glass etc.

#### 4.2 Marketing and the chemical industry

The chemical industry of the early 1920's, was a research oriented group and has had no trouble selling the products conceived by the research laboratories. Later on, following the general trend, the chemical industry began to change from a research-oriented group, to a production-oriented group, and still later to a marketing-oriented industry.

These changes have come about as the result of many factors such as the inadequate capability in finding customers for new or existing products, the rapid maturity of old products, the competition from foreign producers, both at home and abroad, and the accelerating rate of technological change.

However, many chemical companies were already using some features of the marketing concept, often in an uncoordinated fashion, without applying the name. (Everson, 1967).

During the 60's, a more systematic approach to the total marketing job began, and companies were adjusted to meet the needs of the market.

Some of the important elements for the application of the principles of the marketing concept, are:

1. A realization that marketing is a "way of life" within a company. Marketing is no longer the sole prerogative of one department, and other functions have important roles to play in an expanded business outlook.
2. The systematic planning of marketing activities,
3. The restructuring of organizations to provide market orientation, where this can be most effective.
4. The recognition that external influences require varying

applications of the marketing mix. The segmentation of markets necessitates specialized products and specialized marketing tactics.

5. An increased interest in research and development in the marketing process, with emphasis on experimentation to stimulate innovation. (Everson, 1967).

One of the most important application of the marketing concept in the chemical industry, is that of properly welding Research and Development on the one hand and Marketing on the other. The study of Hull, (1969) has shown that the establishment of a marketing department within a chemical company causes the new department to come into conflict with Research and Development over new product planning. Each department seeks to control the decisions taken by the other. Whereas it may not be desirable for marketing to control the research programmes, it must have an important and influential voice in new product development. (Hull, 1969).

In an article appearing under the title "Innovation and the chemical industry" (Spiegelberg, 1970), Dr. Davis, General Manager of I.C.I. referring to the "gap" between laboratories and the market said:

"I think that the celebrated dialogue "why can't you make what we can sell", "why can't you sell what we can make", is a thing of the past. I believe that marketing and research is a partnership, just as research and production is a partnership.

...I would like to say that the constructive alliance between imaginative research and good marketing is yet as well



developed as it ought to be. A rather special breed of marketing people are needed in the research field, who are not preoccupied with selling today's goods in today's markets, but who are aware of the constraints in today's markets, and of the ways in which those constraints can be pushed aside".

#### 4.3 The chemical industry today.

The chemical industry has been growing rapidly for a long period of time, and there is every reason to expect this rapid growth to continue. It seems almost a rule that the chemical industry in any country grows at twice the rate of industry generally, and in the U.K. the rate for the chemical industry is about 7% compound. It is much higher for petrochemicals, perhaps double the average, so for individual chemical companies, the growth rate will be between 6-12% in terms of sales. (King, 1970).

This growth is the result of the introduction of new products, the development of mass markets by holding down the selling price, and the ability of the industry to expand, through research, the end uses of existing products.

Some interesting figures about the position of the chemical industry in 1972, (latest available data) are given in a statistical survey, appearing in the January 1974 issue of "Chemistry and industry".

" In both 1971-1972, the chemical industry was the fourth largest sector of the economy, on the basis of gross value output, behind the composite food, drink and tobacco sector,

vehicle production and mechanical engineering.

In 1971, gross output of the Chemical industry accounted, as in 1970, for 8.2 per cent of the total value output of U.K. manufacturing industry. In 1972, this share of total output had risen marginally to reach 8.4 per cent. By comparison on a net output basis, in all the last three annual censuses, the Chemical and allied industries, accounted for 9.2 per cent of the total net output of manufacturing industry.

According to the latest census statistics, in 1972, the Chemical industry had the second highest growth in gross value output (11.2%) after paper, printing and publishing (12.2%)!"

As far as the Chemical industry of the N.E. of England is concerned, the only available data are that it is one of the biggest in this area, and it employs 41013 people, or the 4.11% of the working population.

## 5. THE SURVEY

### 5.1. Objective

The objective of the present study was to examine how far have the North Eastern Chemical companies accepted and implemented the marketing concept, as shown by the analysis of the following points:

1. Estimation of the present situation.
2. Data required for establishing objectives and strategies.
3. Strategies adopted.
4. Existence of marketing plan.
5. Organization of the marketing department.
6. Attitudes expressed towards marketing statements, and
7. Definition of the term 'Marketing' given by the company.

### 5.2. Methodological problems

The methodological problems of survey fall into three basic categories:

- a. From whom to collect the information,
- b. What methods to use for collecting it, and
- c. How to process, analyse, and interpret it. (Moser, 1958).

So the first step in every survey is always to define the population to be covered. In this case, this task was not very difficult, since it was decided to restrict the study to the N.E. area of England. However, this geographical delimitation was only the beginning. The definition of population also involved the fixing of limits, other than merely geographical. Again, in this case, this was partly done, when it was decided to examine only the Chemical industry, and this because of the writer's Pharmaceutical background.

Another limitation was that only those Chemical companies were examined with Head Offices in the N.E. of England. This was due to the assumption that only those companies with Head Offices in the above stated area, were likely to have a marketing department, while other companies in the N.E. Chemical industry, had their marketing department located elsewhere.

The second step was to find out what methods to use for collecting the needed information. The first thought was to use a combination of interviews and mail questionnaire. But due to the unwillingness of the companies to collaborate with the study, in the case of interview, it was decided to concentrate in postal questionnaire. The main reason for this unwillingness, appeared to be the confidential nature of the investigated area.

### 5.3. Advantages and disadvantages of questionnaires

The use of mail questionnaire has been widely condemned for some years on account of the difficulty of securing adequate response. However, this method has some advantages as well as some disadvantages.

In the starting words of Jahoda et al (1951), "questionnaires can be sent through the mail, interviewers cannot". The mail questionnaire is generally quicker and cheaper than other methods, and requires less skill to administer than interview. However a mail questionnaire is not necessarily a cheap method; the response to it, especially with a sample of the

general population, may be so low, that the cost per completed questionnaire is higher than with an interview sample.

Mail questionnaires also have something to commend them, with questions demanding a considered rather an immediate answer.

According to Selltiz et al (1965) the impersonal nature of questionnaire - its standardized wording, order of questions, and instructions for recording responses - ensures some uniformity from one measurement situation to another.

Another advantage of questionnaires is that respondents may have greater confidence in their anonymity, and thus feel freer to express views they fear might be disapproved. In the present questionnaire the final stage, with definitions and attitudes towards some marketing statements, fell within this category.

Finally another characteristic of the questionnaire, is that it may place less pressure on the subject for immediate response.

The main limitations of mail questionnaires, as stated by Moser (1958) are as follows:

First, the method can only be considered when the questions are simple and straightforward to be understood with the help of the printed instructions and definitions.

Secondly, the answers to a mail questionnaire have to be accepted as final, unless rechecking or collection of the questionnaires by interviewers can be afforded.

Finally, with a mail questionnaire, there is no opportunity to supplement the respondent's answers by observational data.

#### 5.4 Type of questionnaire used

The questionnaire was a standardized one, because questions were presented with exactly the same wording and in the same order, to ensure that all respondents were replying to the same questions.

The structure of the questions used was of two types; the "open-ended" questions and those with "fixed-alternative answers".

A "fixed-alternative", (or "closed") question, is one which the responses of the subject are limited to stated alternatives. On the other hand, the "open-ended" question is designed to permit a free response from the subject, rather than one limited to stated alternatives.

Selltiz et al described the advantages and disadvantages of "closed" and "open-ended" questions as follows:

"... A closed question may help to ensure that the answers are given in a frame of reference that is relevant to the purpose of the inquiry and in a form that is usable in the analysis.

... Sometimes the provision of alternative replies helps to make clear the meaning of the question.

... A similar function of alternative responses is to make clear the dimension along which answers are sought.

... Finally, the "closed-question" may require the respondent himself to make a judgment about his attitudes, rather than leaving this up to the coder. This may or may not be desirable, depending on the nature of the question.

Most of these advantages of fixed alternative questions

have, however, corresponding disadvantages. One of the major drawbacks of the closed-question is that it may force a statement of opinion on an issue about which the respondent does not have any opinion.

... Even when a respondent has a clear opinion, a fixed alternative question may not give any adequate representation of it, because none of the choices corresponds exactly to his position, or because they do not allow for qualification.

... Omission of possible alternative responses, may lead to bias. Even when a space is provided for "other" replies, most respondents limit their answers to the alternatives provided".

From the above stated advantages and disadvantages of open and closed questions, it is apparent that the two differ in the purposes for which they are appropriate. Closed questions are more efficient where the possible alternative replies are known, limited in number, and clear-cut. Open ended questions are called for when the issue is complex, or when the relevant dimensions are not known.

The Hayhurst and Wills study helped the present research into the Chemical industry by serving as a guideline. It was decided to use their questionnaire since it had been tested and proved to be a successful and therefore a pilot survey was not necessary. Also one could compare results with those already published and find if any differences existed.

The correspondence amongst the examined points and the questions which covered them is given below:

I. Estimation of the present situation.

I.a. Development in customers requirements.

Question: Studies of market changes.

I.b. Analysis of trade environment.

Questions: Assessment of market potential.

Determination of market characteristics.

I.c. Analysis of competition.

Questions: Research on competitor's products

Studies of present products versus competition.

2. Data required for establishing objectives and strategies.

2.a. Product analysis.

Questions: Studies of acceptability and potential of  
new products.

Product testing.

Packaging research and design.

2.b. Market analysis.

Question: Market share analysis.

2.c. Sales strategy.

Questions: Sales analysis.

Sales forecasts.

Effectiveness of methods of paying salesmen.

Effectiveness of special offers.

Media studies.



3. Strategies adopted (Marketing mix).

3.a. Advertising and promotion plan.

Questions: Establishment of sales quotas.

Establishment of sales territories.

Methods of promotion used for selling the products.

3.b. Budget plan.

Questions: What proportion of gross sales revenue did your total promotional expenditure represent in the last financial year?

On what basis do you determine the amount to be spent on advertising?

3.c. Pricing plan.

Question: On what method do you generally fix your prices?

4. Existence of marketing plan.

Question: Does your company have a written-down marketing plan?

What are the principal headings of your current marketing plan?

5. Organization of the Marketing department.

5.a. Status of the Chief Marketing Executive.

Question: Status of the Chief Marketing Executive in relation to the Chief Production Executive.

5.b. Title of the Chief Marketing Executive.

Question: Precise title of the executive with main responsibility for marketing.

5.c. Responsibilities of the Chief Marketing Executive.

Question: Degree of responsibility of the Chief Marketing Executive over the various marketing functions.

6. Attitudes expressed towards marketing statements.

Questions: "The marketing man's job is simply to sell what the works produce".

"Our main task is to increase sales volume. Profits will follow naturally".

"A well made product will sell itself".

"Diversification policies should build on existing company resources".

"Provided we succeed in selling a planned level of production, we should not be too concerned with trends in the total market".

"In our type of business we know the market too well to need marketing research".

7. Definition of the term 'Marketing'

Question: What do you understand by the term 'Marketing'?

### 5.5 Sample

The research covered a universe of all the Chemical companies with head offices in the N.E. area of England. (The North East area consisted of: Northumberland, Durham, and Yorkshire North Riding).

A list of the companies including in the Chemical industry, according to the Department of Trade and Industry Standard Industrial Classification, is given in Appendix IV.

A list of the Chemical companies in the N.E. of England was obtained from "Buyers Guide", "Kompass", the "Yellow pages of Telephone Directory", and the Department of Trade and Industry" of Newcastle upon Tyne, and consisted of 172 companies.

From them 40 companies had to be excluded from the mailing list, either because no reliable address could be found, or they had their Head Offices in an other area.

### 5.6. Methodology and Analysis.

A questionnaire (Appendix I) and an appropriate cover letter (Appendix II) were sent to the remaining 132 Chemical companies. The letter was addressed to the Managing Director and explained the purpose of the survey and contained an assurance that the information provided would be treated as confidential.

Forty one (31%) of the companies approached replied. Of these 31 completed and returned questionnaires which were usable. Three companies explained that they had not completed the questionnaire because they were very small, and

consequently they had no marketing department. Also a letter was received from seven firms which refused to complete the questionnaire. The main reason for that refusal was concerned with the time and the effort involved.

The analysis has taken into consideration the effect of size and the orientation of the company i.e. industrial or consumer.

Companies were classified by sales volume and by number of people employed, into three categories: 'large', 'medium', and 'small'. As 'large' have been characterised those companies with gross sales revenue over £ 50 millions per year, and with 5000 and over employees. As 'medium', those companies with gross sales revenue £ 1 million - 50 millions and with 250 - 4,999 employees. Finally as 'small' have been characterised those companies with gross sales revenue less than £ 1 million and with less than 249 employees.

Fourteen of the 31 companies examined in the present research have been classified as 'medium', 17 as 'small' and only 2 as 'large'. For the convenience of the analysis the two large companies have been included into the 'medium' category.

Both groups have been examined according to the points given in page 53 and have been characterised according to the results as 'Very good', 'Good', 'Reasonable' or 'Poor'. (see Appendix V).

Also the companies have been grouped according to their orientation in Industrial and Consumer and both groups have been subjected to the same analysis.

Finally the total sample has been subjected to a deeper analysis and a comparison has been made between the present results and those given by previous researches. Also a comparison has been made between the two size groups.

During the analysis the chi square test has been used for the identification of possible relations within the groups and between them. The list of the relations examined is contained in Appendix VI.

In some instances the chi square test was applied where the rule of independence of response was not strictly observed. Nevertheless it was felt that the test was sufficiently robust to use to indicate trends.

6. RESULTS OF SURVEY

The results will be given as follows:

- A) Large and Medium companies
- B) Small companies
- C) Industrial and Consumer companies
- D) All companies

Each of the above group will be examined against the following dimensions:

1. Estimation of the present situation.
2. Data required for establishing objectives and strategies.
3. Strategies adopted
4. Existence of marketing plan.
5. Organization of the marketing department.
6. Attitudes expressed towards marketing statements.
7. Definition of the term 'Marketing'.

A) LARGE AND MEDIUM COMPANIES

Number of companies: I4 (2 large, I2 medium)

Nature of business activity: II Industrial companies  
3 Consumer companies

I. Estimation of the present situation.

According to the findings of the present study II out of the I4 companies (79%) carry out all the necessary market research activities for the analysis of the environment and the identification of possible changes in the trends of their customers.

From the remaining three companies, one has been characterised as 'good' and the other two as 'reasonable'.

Table I Estimation of the present situation

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	II	I	2	-
%	79	7	I4	-

2. Data required for establishing objectives and strategies

Nine out of the fourteen companies under consideration

are within the 'very good' category, which means that they carry out the necessary research for the establishment of their objectives and strategies. Four have been classified as 'good' and one as 'reasonable'.

Table 2 Data required for establishing objectives and strategies

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	9	4	1	-
%	64	29	7	-

From the analysis of the individual companies it appears that virtually all the large and medium size companies have a sales forecasting plan. In addition it has been found that most of them have carried out research concerning the analysis of their product range, the analysis of their position in the market or the analysis of effectiveness of the various promotional methods they use (table 6), showing an appreciation and implementation of further marketing activities.

### 3. Strategies adopted

Ten out of the fourteen large and medium companies (72%), have been characterised as 'very good', one as 'good' and three as 'reasonable' as far as the strategies used are concerned.

Table 3 Strategies adopted

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	10	1	3	-
%	72	7	21	-



The analysis of the individual companies revealed that eleven or 79% of the large and medium companies use more than two promotional methods. (Table 4). These results support the previous conclusion that most of the medium and large companies can be characterised as 'very good' concerning the strategies they use.

Table 4 Number of methods of promotion used

	Number of companies	%
One	2	14
Two	1	7
Three	2	14
Four	3	22
Five	2	14
Six	4	29

However the analysis of the individual companies also revealed a weak point concerning the money allocated to promotion. It has been found that the majority of the companies (11, or 79%) spend less than 3% of their gross sales revenue on their promotion.

Table 5 Proportion of gross sales revenue allocated to promotional expenditure

% of sales revenue	Number of companies	%
Below 1%	6	43
1% - 2.9%	5	36
3% - 4.9%	1	7
5% - 10%	1	7
Over 10%	1	7
Non reply	1	7

The estimation as to what proportion of gross sales revenue should be allocated for promotional activities is a difficult task. Without further information on expenditure on the various types of promotion it is not possible to make any comment.

The following table shows the extent to which large and medium companies carry out the necessary marketing research in order to be able:

- a) to analyse the environment in which they operate,
- b) to develop objectives and strategies, and
- c) to select the appropriate strategies to meet these objectives.

Table 6 Carry out marketing research activities

<u>Marketing research activities</u>	Number of companies	%
Studies of market changes	9	64
Assessment of market potential	13	93
Determination of market characteristics	10	71
Studies of present products versus competition	12	86
Research on competitors products	12	86
Product analysis	10	71
Sales analysis	13	93
Establishment of sales quotas	6	43
Establishment of sales territories	9	64
Effectiveness of methods of paying salesmen	5	36
Effectiveness of special offers	2	14
Media studies	5	36
Market share analysis	11	79

The above table supports the previous conclusion that large and medium companies can be characterised as either 'very good' or 'good' concerning the three first steps of the analysis.

The only neglected functions according to the above analysis are the following: "Effectiveness of special offers" and "Media studies". However these activities seem to be not applicable to most of the large and medium companies since 79% of them (11 out of the 14) are manufacturers of industrial goods.

An effort has been made, using chi square to discover possible relations amongst the functions carried out by the companies under consideration. A relation has been identified between the estimation of the present situation, the collection of data and the strategies adopted. It has been found that those companies which are 'very good' or 'good' in estimating the present situation are also 'very good' or 'good' in collecting data and establishing objectives and strategies. The same relation has been identified between the collection of data and the strategies used. The results show that the effective collection of data about the market is closely associated with the development of marketing strategies. It suggests that executives spend time thinking about the attainment of overall objectives via marketing strategy so that the relevant information may be collected.

4. Existence of written-down marketing plan.

The existence of a written-down marketing plan has been reported by 12 out of the 14 large and medium companies (85%).

The chi square analysis revealed a relation between the existence of the marketing plan and the company's ability to analyse the environment, collect data, and establish objectives and strategies. It has been found that companies with a marketing plan are within the 'very good' or 'good' category concerning the above steps of the analysis, while companies without a marketing plan have been classified as either 'reasonable' or 'poor'.

Finally the chi square analysis showed no relation between the existence of a written-down marketing plan and the status of the Chief Marketing Executive, or the attitudes expressed towards marketing statements.

5. Organization of the Marketing department.

From the analysis it emerged that the majority of the large and medium companies (11 or 79%) have their Chief Marketing

Executive in a position equal to that of the Chief Production Executive.

Table 7 Status of the Chief Marketing Executive

<u>Status</u>	Number of companies	%
Higher	I	7
Equal	II	79
Lower	2	14

This means that all but two of the examined large and medium companies have a marketing organizational structure which is compatible with the requirements of the marketing concept. (page 32 ).

The most common title found amongst the large and medium size companies was that of 'Marketing Director'. (Table 8). Hayhurst and Wills results support the above finding. (page II3).

Table 8 Title of Chief Marketing Executive

<u>Title</u>	Number of companies	%
Marketing Director	5	36
Sales Director	2	14
Marketing Manager	2	14
Sales Manager	2	14
Commercial Director	I	7
Sales & Marketing Director	I	7
Sales & Commercial Director	I	7

The following table comprises the classification of the results concerning:

- a) the degree of control of the Chief Marketing Executive over the various marketing functions
- b) the attitudes of the Chief Marketing Executive towards marketing statements, and
- c) the degree of understanding the meaning of the term 'marketing'.

Table 9 Classification of the results concerning:  
Responsibilities, Attitudes, Marketing definition

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
	%	%	%	%
Responsibilities	7	21	43	29
Attitudes	50	29	21	-
Marketing definition	7	29	-	43

The distribution of the degree of responsibility of the Chief Marketing Executive within the large and medium companies is given in the following table:

	7 full	5-6 full	3-4 full	2 full	Non reply
Number of companies	2	3	6	2	1
%	14	21	43	14	7

The above results show that only in five out of the fourteen companies the Chief Marketing Executive has a 'very good' or 'good' control over the marketing functions, or that he is responsible for at least five out of the ten marketing activities. The majority of the companies reported to give him full responsibility only for three or four functions, and consequently have been classified as 'reasonable'. This can

be seen as a weakness in the overall implementation of the marketing concept which calls for integration and coordination of the marketing department. (page 10 )

A comparison of the present data with previous findings is given in the following tables:

Table II Responsibilities of the Chief Marketing Executive

<u>Marketing functions</u>	<u>Present Data</u>			Not Applicable/ No response %
	Responsibility			
	Full %	Shared %	Nil %	
Sales forecasting	64	29	-	7
Marketing research	50	36	-	14
Advertising & Promotion	72	14	-	14
Overseas Marketing	36	36	7	21
Pricing	21	79	-	-
Physical distribution	21	36	7	36
Packaging	7	50	-	43
Marketing Staff Selection	72	21	-	7
New Product Planning	14	79	-	7
Public Relations	7	79	-	14

Table I2 Responsibilities of the Chief Marketing Executive

<u>Marketing functions</u>	<u>Saddik</u>				<u>McNamara</u>
	Responsibility			N.A/ N.R.	Full & Shared
	Full	Shared	Nil		
Sales forecasting	% 39	55	4	2	88
Marketing research	% 40	42	8	8	-
Advertising & Promotion	% 42	42	7	7	-
Overseas Marketing	% -	-	-	-	-
Pricing	% 33	51	15	1	69
Physical distribution	% 18	31	49	2	-

Table I2 contd.

		<u>Saddik</u>			N.A/ N.R.	<u>McNamara</u>
		Responsibility Full	Shared	Nil		Full & Shared
Packaging	%	-	-	-	-	36
Marketing Staff Selection	%	43	51	5	1	-
New product planning	%	19	69	10	2	58
Public relations	%	55	45	-	-	21

In spite of the previous mentioned weakness, the comparison between the present data and Saddik's results on the medium British Textile companies, shows that medium Chemical companies give more full responsibility to their Chief Marketing Executive. The same conclusion derives from the comparison of the present data with McNamara's findings concerning 494 medium American companies.

It is worth noticing that while in 55% of the medium Wool Textile and Clothing companies, Chief Marketing Executive has sole responsibility for the function of Public Relations, in the majority of the examined companies he shares the responsibility for the above function. This is probably due to the fact that while all but three large and medium companies are manufacturing industrial products, Wool Textile and Clothing companies are manufacturing consumer goods.

#### 6. Attitudes expressed towards marketing statements

The majority of the examined companies (11 or 79%) have expressed 'very good' or 'good' attitudes towards the marketing statements. An effort has been made to discover how far the attitudes expressed correspond with the degree of responsibility given to the Marketing Executive in the various



functional areas. However the chi square analysis gave no firm conclusion.

7. Definition of the term 'Marketing'.

As far as the definition of Marketing is concerned only one out of the fourteen large and medium companies has given a 'very good' definition. Four more companies gave a 'good' one and the remaining nine have either misunderstood the meaning of the term or were unable to define it.

Also no relation has been found between the attitudes expressed towards marketing statements and the degree of understanding of Marketing. This means that Chief Marketing Executives could have a favourable attitude towards marketing statements but not understand the meaning of the term.

CONCLUSION  
-----

From the above analysis concerning 2 large and 12 medium Chemical companies the following results have been emerged:

Table I3 Large and Medium companies: All the results

	<u>Very good &amp; Good</u>		<u>Reasonable &amp; Poor</u>	
	Number of companies	%	Number of companies	%
Estimation	I2	86	2	I4
Data required	I3	93	I	7
Strategies adopted	II	79	3	2I
Responsibilities	4	28	IO	72
Attitudes	II	79	3	2I
Marketing definition	5	36	6	43

Existence of Marketing plan

	Number of companies	%
Yes	12	86
No	2	14

Status of Chief Marketing Executive

	Number of companies	%
Higher	I	7
Equal	II	79
Lower	2	14

It can be concluded then that:

I. The majority of the large and medium companies are 'very good' in analysing the environment in which they operate, in gathering the necessary data for the development of objectives and strategies and in establishing the right strategies for the achievement of these objectives.

The only weakness identified at this stage concerns the rather small proportion of gross sales revenue allocated to promotion.

2. The analysis concerning the organization of the marketing department revealed the following strong and weak points:

A. Strong points about the large and medium companies.

a) The majority (86%) of the companies have a written-down marketing plan.

b) In most of the companies (79%) the Chief Marketing

Executive is in a position equal to that of the Chief Production Executive.

- c) The majority of companies (79%) have a favourable view towards the various statements about marketing.

B. Weaknesses of the large and medium companies

- a) The majority of companies (72%) give their Chief Marketing Executive full responsibility for only a few marketing functions.
- b) The majority of companies (64%) have given a 'poor' definition of the term 'marketing' or were unable to give any definition.

This is puzzling since they were able to classify correctly the majority of statements on marketing. (Table 9). Managers do not seem to relate their knowledge of the marketing concept to the day-to-day activities of the company.

However, apart from these weak points the analysis showed that the examined large and medium companies are, broadly speaking, in agreement with the general requirements for the implementation of the marketing concept.

Finally, using chi square analysis, the following relation has been established: Companies with written down marketing plan have been classified as either 'very good' or 'good' concerning their ability to analyse the environment, collect the necessary data and establish appropriate objectives and strategies, while companies without written marketing plan have been characterised as 'reasonable' or 'poor' concerning the above steps.

B) SMALL COMPANIES

Number of companies: 17

Nature of business activity: 14 Industrial companies

3 Consumer companies

I. Estimation of the present situation

The present study revealed that the majority of the small companies (8 or 47%) are within the 'poor' category and only 6 of them (35%) have been characterised as 'very good'

Table I4 Estimation of the present situation

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	6	2	1	8
%	35	12	6	47

This means that most of the small companies do not carry out enough research for the analysis either of the trade environment or for the identification of the market trends.

2. Data required for establishing objectives and strategies

The examination of the ability of the small companies to carry out research for collecting the necessary information in order to establish their objectives and to develop their strategies, revealed that 5 out of the 17 companies are 'very good' and an other 5 'poor'.

Table I5 Data required for establishing objectives and strategies

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	5	4	3	5
%	29	24	18	29

### 3. Strategies adopted

Table I6 Strategies adopted

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	9	1	4	3
%	53	6	23	18

The above table comprises the classification of the small companies in various categories according to the strategies they use. It is worth noticing that the majority of small companies have been classified as 'very good', while in the case of the "estimation of the present situation" and the "collection of the required data", the majority of companies have been classified as rather 'poor!.

However the analysis of each company revealed the following weak points amongst the small companies:

- a) 10 out of the 17 companies under consideration use one or two promotional methods. (Table I7)
- b) 14 out of the 17 small companies spend less than 3% of their gross sales revenue to promotion and taking into account that the gross sales revenue of a small company does not exceed the £ 1 m., this amount can be considered as inadequate. (Table I8).

Table I7 Number of methods of promotion used

	Number of companies	%
One	6	35
Two	4	23
Three	2	12
Four	3	18
Five	2	12
Six	-	-

Table I8 Proportion of gross sales revenue allocated to promotional expenditure

% of sales revenue	Number of companies	%
Below 1%	9	53
1% - 2.9%	5	29
3% - 4.9%	-	-
5% - 10%	1	6
Over 10%	1	6
Non reply	1	6

However it could be argued that the above weaknesses are the results of the size and of the limited means available within the small companies.

The following table shows the extent to which small companies carry out the necessary marketing research activities in order to be able:

- a) to analyse the environment in which they operate,
- b) to develop objectives and strategies, and
- c) to select strategies to meet these objectives.

Table I9 Carry out marketing research activities

<u>Marketing research activities</u>	Number of companies	%
Studies of market changes	4	23
Assessment of market potential	9	53
Determination of market characteristics	8	47
Studies of present products versus competition	10	59
Research on competitors products	11	65
Product analysis	10	59
Sales analysis	13	76
Establishment of sales quotas	6	35
Establishment of sales territories	9	53
Effectiveness of methods of paying salesmen	5	29
Effectiveness of special offers	3	18
Media studies	5	29
Market share analysis	8	47

Seven out of the thirteen marketing research activities are carried out by less than a half of all the small companies. To some extent this was expected as small companies due to the limitation of their resources could find themselves unable to carry out adequate marketing research. It is possible also that most of them have not established yet a marketing research department and use external agencies to help them in carrying out some of the activities.

Finally the promotion of the products has been proved to be inadequate, i.e. they use only one or two promotional methods and they spend less than 3% of their gross sales

revenue to promotional activities. This can be partly explained when one considers :

- a) that I4 out of the I7 small companies are manufacturers of industrial goods, and
- b) the limited means available due to the size of the company.

Even so, this inadequate promotion together with the limited number of marketing research activities carried out can be viewed as two weak points in the overall marketing planning process.

The chi square test has shown a strong relation between the 'estimation of the present situation', the 'collection of the necessary data' and the 'adopted strategies'.

So it could be concluded that companies which have been characterised as 'very good' or 'good' in either the estimation of the environment in which they operate or the collection of data have 'very good' or 'good' strategies too.

#### 4. Existence of written-down marketing plan

The existence of a written-down marketing plan has been reported only by 8 out of the I7 small companies (47%), while the remaining 9 have no written plan at all.

However the chi square test established a strong relation between the existence of a written marketing plan and:

- a) the estimation of the present situation,
- b) the collection of data, and
- c) the adopted strategies.

As it was expected, the majority of the companies with written marketing plan have been characterised as 'very good'



or 'good' in terms of the estimation, the analysis and the collection of information about the environment in which they operate and the establishment of objectives and strategies. Companies within the 'poor' category, concerning the above activities, reported to have no written marketing plan.

Also another relationship has been found between the existence of written marketing plan and the status of the Chief Marketing Executive, as well as the attitudes expressed towards the marketing statements. It has been found that the majority of the small companies with marketing plan have expressed favourable views concerning the various marketing statements, while the majority of companies without a marketing plan have expressed attitudes which have been characterised as either 'reasonable' or 'poor'. Also it has been established that the higher the status of the Chief Marketing Executive the more likely for a company to have a written marketing plan.

#### 5. Organization of the Marketing department

In 10 out of the 17 small companies the Chief Marketing Executive assumes a higher status than that of the Chief Production Executive.

Table 20 Status of Chief Marketing Executive

<u>Status</u>	Number of companies	%
Higher	10	59
Equal	4	24
Lower	2	11
Non reply	1	6

This can be explained when one examines the title given to the Chief Marketing Executive within the small companies. It has been found that the most common title amongst the small companies was that of the Managing Director.

Table 2I Title of Chief Marketing Executive

<u>Title</u>	Number of companies	%
Managing Director	8	47
Sales Director	3	17
General Manager	2	12
Marketing Manager	1	6
Sales Manager	1	6
Sales & Marketing Manager	1	6
Marketing Director	1	6

The majority of small companies have their Managing Director responsible for the Marketing department. Hayhurst and Wills findings support the above statement.

The following table gives the relation between the title and the status of the Chief Marketing Executive within the small companies.

Table 22 Relation between title and status of Chief Marketing Executive

<u>Title</u>	<u>Higher</u>	<u>Equal</u>	<u>Lower</u>
Managing Director	7	-	1
Sales Director	-	2	1
General Manager	1	1	-
Marketing Manager	-	1	-
Sales Manager	1	-	-
Sales & Marketing Manager	1	-	-
Marketing Director	-	1	-

The following table comprises the scores concerning:

- a) the responsibilities of the Chief Marketing Executive,
- b) the attitudes of the Chief Marketing Executive towards marketing statements, and
- c) the definitions given for the term 'marketing'.

Table 23 Classification of the results concerning:

Responsibilities, Attitudes, Marketing definition

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
	%	%	%	%
Responsibilities	12	41	12	35
Attitudes	35	12	29	24
Marketing definition	-	29	12	35

Finally the distribution of the degree of responsibility of the Chief Marketing Executives within the small companies is stated in the following table:

Table 24 Responsibilities of the Chief Marketing Executive

	7 full	5-6 full	3-4 full	2 full	Non reply
Number of companies	2	6	3	5	1
%	12	35	18	29	6

In just over half of the small companies the Chief Marketing Executive has a 'very good' or 'good' control over the marketing functions, and in 35% of them (6) his control has been characterised as 'poor'.

When the small companies are broken down according to the degree of responsibility given to their Chief Marketing Executive it appears that he has full control over seven or more out of the ten marketing functions, only in two

companies and in another six he is full responsible only for 5-6 marketing functions and shares the responsibility for the rest with other executives. In three companies he has full control over 3-4 functions and in the rest five, he is the only responsible for two or less activities.

Hence it can be concluded that II out of the I7 small companies (65%) are at the midpoint of the integration of their marketing department.

The following tables comprise a comparison amongst the present data and the results of Saddik and McNamara, concerning the responsibilities of the Chief Marketing Executive within the small companies.

Table 25 Responsibilities of the Chief Marketing Executive

<u>Marketing Functions</u>	<u>Present Data</u>			Not Applicable/ No response %
	Full %	Shared %	Nil %	
Sales forecasting	6I	28	-	5
Marketing research	39	50	5	6
Advertising & Promotion	50	50	-	-
Overseas Marketing	6I	II	6	22
Pricing	56	33	II	-
Physical distribution	6	44	44	6
Packaging	6	6I	II	22
Marketing Staff selection	6I	39	-	-
New product planning	33	50	6	II
Public Relations	33	50	6	II

Table 26 Responsibilities of the Chief Marketing Executive

<u>Marketing functions</u>		<u>Saddik</u>			<u>McNamara</u>	
		Responsibility Full	Shared	Nil	N.A/ N.R.	Full & Shared
Sales forecasting	%	40	53	3	4	84
Marketing research	%	42	35	7	6	75
Advertising & Promotion	%	43	47	6	4	-
Overseas Marketing	%	-	-	-	-	-
Pricing	%	27	63	10	-	66
Physical distribution	%	16	39	42	3	-
Packaging	%	-	--	-	-	26
Marketing Staff selection	%	34	46	9	5	-
New product planning	%	28	58	9	5	45
Public Relations	%	59	41	-	-	27

From the above table it can be concluded that the examined small companies give to their Chief Marketing Executive more responsibility for the various marketing functions than the small firms of the Textile Industry examined by Saddik, or the 498 small American companies examined by McNamara.

6. Attitudes expressed towards marketing statements

It has been found that 8 of the 17 small companies (47%) expressed 'very good' or 'good' attitudes towards the marketing statements, while the majority of them expressed either 'reasonable' or 'poor' attitudes.

7. Definition of the term 'Marketing'

Most of the definitions of Marketing given by the majority of the small companies were either 'reasonable' or 'poor'.

The chi square analysis revealed a relation between the degree of responsibility of the Chief Marketing Executive and the attitudes expressed towards the various marketing statements. As it was expected these companies which give their Chief Marketing Executive fullest responsibility in the functional areas have expressed more favourable attitudes than the companies which give less responsibility to their executives.

Also an effort has been made to identify any relation between these attitudes and the marketing definition given by the companies. However, no firm conclusion can be drawn from this analysis.

#### CONCLUSION

-----

The results of the above analysis concerning the 17 small companies have been summarized in the following table:

Table 27 Small companies: All the results

	<u>Very good &amp; Good</u>		<u>Reasonable &amp; Poor</u>	
	Number of companies	%	Number of companies	%
Estimation	8	47	9	53
Data required	9	53	8	47
Strategies adopted	10	59	7	41
Responsibilities	9	53	8	47
Attitudes	8	47	9	53
Marketing definition	5	29	8	47

Existence of Marketing Plan

	Number of companies	%
Yes	8	47
No	9	53

Status of Chief Marketing Executive

	Number of companies	%
Higher	10	59
Equal	4	24
Lower	2	11
Non response	1	6

It can be concluded then that small companies are at the midpoint of the implementation of the marketing concept. Also during the analysis the following weaknesses have been identified:

- a) The limited number of marketing research activities carried out, and
- b) the inadequate promotion of the products.

Finally, using chi square analysis, the following relations have been identified:

I. Companies which have been characterised as either 'very good' or 'good' in estimating the present situation, showed a better ability in gathering the necessary data for establishing objectives or selecting strategies, than those companies which have been characterised as 'reasonable' or 'poor'

2. Those companies with written-down marketing plan have:
- a) expressed more favourable attitudes towards marketing statements,
  - b) their Chief Marketing Executives in higher status, and
  - c) carried out most of the necessary marketing research activities for analysing the environment, establishing objectives and selecting strategies.

These results are compared with those derived from the data on the medium size firms in part D.



C) INDUSTRIAL AND CONSUMER COMPANIES

Industrial companies: 25 (14 small, 10 medium, 1 large)

Consumer companies: 6 (3 small, 2 medium, 1 large)

The classification of the companies according to the nature of their business activity, showed that while 25 of them were manufacturers of industrial goods only 6 have been classified as consumer goods companies.

Due to this limited number of companies within the consumer group and thus to the inability of drawing any firm conclusion, the results of the examination of the above groups are presented in a summarised form.

Table 28 Industrial and Consumer companies: All the results

	Industrial (25)				Consumer (6)			
	Very good %	Good %	Reasonable %	Poor %	Very good %	Good %	Reasonable %	Poor %
Estimation	60	12	4	24	33	-	17	50
Data required	44	32	12	12	50	-	17	33
Strategies adopted	68	8	12	12	33	-	50	-
Responsibilities	8	36	28	28	17	17	17	50
Attitudes	44	24	24	8	33	-	33	33
Marketing definition	8	28	8	40	17	33	-	33

Existence of Marketing plan

	Industrial (B=25) %	Consumer (B=6) %
Yes	68	50
NO	32	50

Status of Chief Marketing Executive

	Industrial (B=25) %	Consumer (B=6) %
Higher	36	33
Equal	52	33
Lower	8	33

The comparison between the industrial and the consumer group shows that the majority of the industrial companies carry out the necessary marketing research activities for the estimation of the present situation the collection of the necessary data and the establishment of strategies while less than half of the consumer companies fall into this category.

Nevertheless it has been found that manufacturers of consumer goods tend to give more responsibility to their Chief Marketing Executive than the industrial companies and that they have defined the term 'Marketing more satisfactory.

A breakdown of the industrial and consumer goods companies according to their size and a comparison of the different groups is given in the following tables:

Table 29 Industrial companies (25)

	Large and Medium(25)				Small (14)			
	Very Good	Good	Reasonable	Poor	Very Good	Good	Reasonable	Poor
Estimation	% 82	9	-	9	43	14	7	36
Data required	% 55	36	9	-	36	29	14	21
Strategies adopted	% 73	9	18	-	64	7	7	21
Responsibilities	% 9	27	45	18	7	43	14	36
Attitudes	% 45	36	18	-	43	17	29	14
Marketing def.	% 18	18	-	55	-	36	14	29
Marketing plan	% 18	27	-	-	-	14	-	29

Table 30 Consumer companies (6)

	Large and medium(3)				Small (3)			
	Very good	Good	Reasonable	Poor	Very good	Good	Reasonable	Poor
Estimation	% 67	-	33	-	-	-	-	100
Data required	% 100	-	-	-	-	-	33	67
Strategies adopted	% 67	-	-	-	-	-	100	-
Responsibilities	% -	-	33	67	33	33	-	33
Attitudes	% 67	-	33	-	-	-	33	67
Marketing def.	% 33	67	-	-	-	-	-	67
Marketing plan	% -	-	-	67	-	-	-	-

It has been found that medium and large size companies of both groups are more marketing oriented than smaller size companies.

However from the above analysis it emerged that while most of the industrial companies have been classified within the 'very good' or 'good' category, only one third of the consumer goods companies fall into this category. This means that manufacturers of industrial goods are marginally ahead of the consumer group in the implementation of the marketing concept.

The only reason responsible for these results which are completely incompatible with what the literature suggests could probably be within the number and the size of the examined consumer goods companies. In fact only 6 out of the 31 examined companies were manufacturers of consumer goods and from them 3 were small, one large and two medium size companies. It is obvious then that the limited number of consumer goods companies within the examined population prevents one of drawing any firm conclusion about them.

D) ALL COMPANIES

Number of companies: 31

Nature of business activity: 25 Industrial companies

6 Consumer companies

It is the purpose of this section to make comparison with other studies, and examine some items in greater depth.

Hence the amalgamation of the data.

I. Estimation of the present situation

The analysis of the present situation is one of the most important steps in the overall process of marketing planning. As it has been said (page 23) it involves the following points:

- a) Analysis of the Industry and the Trade environment.
- b) Analysis of the company itself, and
- c) Analysis of the current competitive conditions.

From the present study it emerged that the majority of the examined companies have been classified as either 'very good' or 'good', concerning their ability to analyse the environment.

Table 3I Estimation of the present situation

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	17	3	3	8
%	55	10	10	25

This means that 20 out of the 31 companies carry out most of the necessary market research activities associated with the analysis of the competition or the identification of possible changes in the requirements of their customers.

The extent to which those activities have been carried out, as well as a comparison between the present results

and Hayhurst and Wills findings are given in the following table:

Table 32 Carried out Market Research Activities for the Estimation of the present situation.

<u>Market Research activities</u>	Present Data %	Hayhurst and Wills %
Studies of market changes	39	58
Assessment of market potential	68	74
Determination of market characteristics	58	69
Studies of present products versus competition	74	80
Research on competitors products	78	66

The more neglected activity, as it emerges from the above table, is the "study of market changes". This can be considered as a weakness concerning the importance of the above activity.

From the comparison emerges that Chemical companies do not carry out the above activities to the same extent as the companies examined by Hayhurst and Wills. However taking into account the facts that: 1) 94% of the examined companies are small and medium size, and 2) that 81% of them deal with industrial products, the extent to which the above market research activities are carried out can be considered as adequate.

Differences associated with the size of companies are very big. So while 12 out of the 14 large and medium companies have been classified as 'very good' or 'good' (86%), (Table I) concerning the above activities, only 8, (47%) of the small companies are within this category. (Table I4)

It can be concluded then that large and medium companies carry out the above activities to a greater extent than small size companies.

2. Data required for establishing objectives and strategies

Another important step in the marketing planning process is the collection of the necessary data for the establishment of objectives and strategies.

Table 33 Data required for establishing objectives and strategies

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	14	8	4	5
%	45	26	13	16

The analysis revealed that 71% or 22 out of the 31 examined companies carry out sufficient research for the accumulation of the required data.

Table 34 Carried out Market Research activities for establishing objectives and strategies

<u>Market Research activities</u>	<u>Present Data</u> %	<u>Hayhurst and Wills</u> %
Packaging research and design	29	40
Studies of acceptability of new products	71	78
Product testing	42	50
Sales analysis	74	89
Sales forecasting	100	100
Effectiveness of methods of paying salesmen	29	53

Table 34 contd.

	Present Data %	Hayhurst and Wills %
Effectiveness of special offers	6	22
Media studies	22	38
Analysis of effectiveness of channels of distribution	51	48
Market share analysis	65	80

'Packaging research and design', 'effectiveness of special offers', 'effectiveness of methods of paying salesmen' and 'media studies' are the most neglected activities as it emerges from the above table. Again this can be explained when one considers the nature of the business activities of most of the examined companies, since 25 out of the 31 are manufacturing industrial products.

Comparison between the present results and those given by Hayhurst and Wills reveals that Chemical companies carry out the above market research activities to a lesser extent than the British companies examined by them. This is probably due to the small size of the Chemical companies.

Finally it has been found that the extent to which the above activities are carried out increases with the size of firm. (Tables 6, 19)

However it can be concluded that the majority of the examined Chemical companies carry out most of the necessary research for the accumulation of the required data for setting their objectives and establishing their strategies.

3. Strategies adopted

The step which follows the establishment of the objectives concerns the appropriate mix of the elements of marketing plan, in order to achieve strategies suitable to meet the objectives set. The four main elements over which a company builds its strategies are: product, price, promotion, and place. (page 25).

The following analysis deals with two of the mentioned elements: price and promotion. Product has been discussed in the previous section (2).

The examination of the Chemical companies according to the strategies they use revealed that the majority of them (21 out of the 31, or 68%) have been characterised as either 'very good' or 'good'.

Table 35 Strategies adopted

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>
Number of companies	19	2	7	3
%	61	7	22	10

Specifically the analysis has as follows:

a) Price: Methods used for fixing the prices

Table 36 Basis for fixing prices

	Present Data %	Hayhurst and Wills %
"Cost-plus"	7	10
"Cost-plus" modified by market conditions	58	66
Market conditions	35	24



Pricing, as already has been said (page 26), must be considered as an important step in the formation of the strategic plan. Also, the way in which a company determines its prices has often been taken as an indicator of the degree of its marketing orientation. Traditionally, prices were determined on the basis of "cost-plus". However a marketing oriented firm has to consider the conditions that obtain in the market as an important element of its pricing plan.

From the results of this study emerges that slightly more than one in three firms consider their pricing system to depend on market conditions, and more than a half of all the firms report that their prices are a result of establishing the cost and then modifying their calculations by an assessment of market conditions. (Table 36)

The fact that an important majority of the companies adjust or fix their prices according to the conditions dominated in the market, indicates the progress that has been made in the area of pricing within the examined Chemical companies.

Some research studies have tried to elicit more reliable information concerning the business pricing policies. Two of the more important are:

- I. The Brookings study of pricing in big business, and
2. The University of Kentucky study of pricing decisions in small business.

The first was based on a series of interviews with top management of a representative group of large-scale enterprises engaged in primary production, manufacturing and

distribution. The general conclusion of this study was that large companies generally have good pricing policies.

The Kentucky study covered eighty-eight individual firms with from one to two employees to more than 200. They comprised a variety of industries including manufacturing, retailing, and service industries. One of the conclusions of the study was that most of the companies did not adhere strictly to the full-cost approach to pricing, but showed more flexibility.

The results of the present study concerning the basis for fixing prices in the larger and small companies (Table 37) support the above results.

Table 37 Basis for fixing prices: Analysis by size of company

<u>Basis</u>	<u>Size</u>	Large & Medium B=I4 %	Small B=I7 %
"Cost-plus"		8	6
"Cost-plus" modified by market conditions		58	64
Market conditions		33	30

Finally comparison between the present data and those stated by Hayhurst and Wills (Table 36) shows that a larger proportion of Chemical companies use as a starting point of their pricing policy the market conditions.

b) Promotion: I. Number of promotional methods used

Table 38 Number of forms of promotion used

	Present data %	Hayhurst & Wills %
One	23	12
Two	16	25
Three	13	25
Four	19	31
Five	13	4
Six	13	-

According to the above table the majority of the examined companies (18 or 58%) use three or more methods to promote their products. However the fact that 12 out of the 31 companies (39%) rely only on one or two promotional methods can be seen as a weakness.

The difference between the results of the present study and those given by Hayhurst and Wills could be attributed to the fact that most of the examined companies are dealing with industrial goods for which they use fewer promotional methods.

The analysis of the findings by the size of company is shown in the following table:

Table 39 Number of forms of promotion used by size of company

<u>Size</u>	<u>Number of forms of promotion used</u>					
	1	2	3	4	5	6
Large & Medium (B=14)	1	1	2	3	2	4
Small (B=17)	6	4	2	3	2	-

The above table shows that while the majority of small

companies (10 out of the 17 or 58%) rely only on one or two promotional methods only 2 out of the 14 large and small companies (16%) fall into this category. Thus once again the complexity of the company's tasks increases with its size.

The conclusion emerged from this part of the analysis is that while the majority of the examined companies use three or more promotional methods, there is still an important minority of companies which rely only on one or two methods.

However it has been found that the larger the company the more likely the use of more than three promotional methods.

2. Proportion of gross sales revenue allocated to promotional expenditure

Table 40 Proportion of gross sales revenue allocated to promotional expenditure

<u>% of G.S.R.</u>	Present data %	Hayhurst & Wills %
Below 1%	48	25
1% - 2.9	32	23
3% - 4.9	3	19
5% - 10%	7	15
Over 10%	3	9
Non reply	7	-

The decision as how much of the gross sales revenue to allocate on promotional expenditures is one of the most difficult in the marketing area. According to the findings, almost all of the examined firms spend less than 10% and as many as 83% or 26 out of the 31, spend less than 5%. However as the use of several types of promotion was strongly related

to the size of the firm, the amount allocated to promotion was expected to increase with the size and the firm's total activities. No such conclusion can be drawn from the existing data. It appears then that the proportion of gross sales revenue does not increase although the amount of money available to spend will be higher because of the higher gross sales revenue of the larger company.

Finally comparison with Hayhurst and Wills findings indicates the tendency amongst the Chemical companies to spend less than 1% of their gross sales revenue to promotion.

### 3. Basis determining the amount to be spent on advertising

Another difficult decision is the basis on which marketing managers will determine the amount to be spend on advertising.

Joel Dean has identified five possible ways in which advertising budgets are determined:

a) The percentage of sales approach bases the advertising budget on a fixed percentage of sales, either past or expected future sales. This provides a convenient working formula, but in terms of economic theory it has little or no foundation because past or present sales volumes have nothing to do with the cost or worth of expanding sales further.

b) The 'all-you-can-afford' approach can be criticized: (i) because present profitability and a high degree of liquidity are not necessarily related to potential benefits likely to be achieved through advertising; (ii) liquid resources have many possible uses both within and outside the business and other things being equal they should be employed where they

yield the highest return and not blindly and arbitrarily earmarked for advertising or any other purpose without regard to the expected return.

c) The return on investment approach acknowledges that advertising increases immediate sales and, at the same time, contributes to the goodwill of the business by increasing future earning power. ...This does not however, get over the difficulty of identifying which of a business's cash flows are attributable to advertising, and the dilemma posed by the quotation: "I know half the money I spend on advertising is wasted, but I can never find out which half", is not easily resolved.

d) The "objectives and task" approach operates on the principle of first defining advertising objectives, second outlining specific tasks necessary to attain the objectives and third determining the cost of attainment.

e) The competitive parity approach bases the firm's advertising outlay on what other firms in the industry are spending. Such an approach however provides no criterion by which the costs and benefits of additional advertising may be evaluated.

The present analysis showed that only 7% of the examined companies based their decision of how much to spend on advertising, on the analysis of needs. Nevertheless this together with the fact that 36% of the companies are basing their calculation on expected future sales shows that a considerable number of firms have left aside the old contests of 'spend what you can afford' or 'the same every year' and

follow the trend toward the implementation of the marketing concept. Unfortunately the total amount spent on promotional activities was found to be inadequate, (page 98). The companies fail to appreciate the function of promotional activities for increasing sales. This is an example of the companies responding favourably to the marketing concept (though process) but inadequately implementing it (doing process) since less than 5% of g.s.r. is spent on all forms of promotion.

Table 4I Basis determining advertising appropriation

	Present data %	Hayhurst & Wills %
Percentage of expected sales	36	39
Percentage of past sales	13	11
Percentage of profit	13	7
Analysis of needs	7	19
Same each year	3	-
Nothing specific	3	-
Cost-effectiveness	3	-
Other	10	-
No reply	12	24

Comparison with Hayhurst and Wills results indicates that a higher proportion of companies examined by them base their decision on the analysis of needs.

The conclusions concerning the overall analysis of the strategies adopted by the examined companies can be summarized as follows:

1. Most of the North Eastern Chemical companies consider the conditions obtaining in the market when fixing their prices.
2. Most of the Chemical companies use three or more promotional methods. However there is an important proportion which rely on one or two methods. In spite of the fact that most of the examined companies are manufacturing industrial goods, this can still be seen as a weakness.
3. The other weak point concerns the amount spent on promotional activities. The fact that 26 out of the 31 firms spend less than 5% of their gross sales revenue to promotion can be explained when we consider the size of the examined companies and the nature of their business activity. Nevertheless it can be regarded as an important weakness.
4. There is a trend amongst the examined companies to base their decision concerning the amount to be spent on advertising on the analysis of their needs. However the majority of them are still following the old methods.

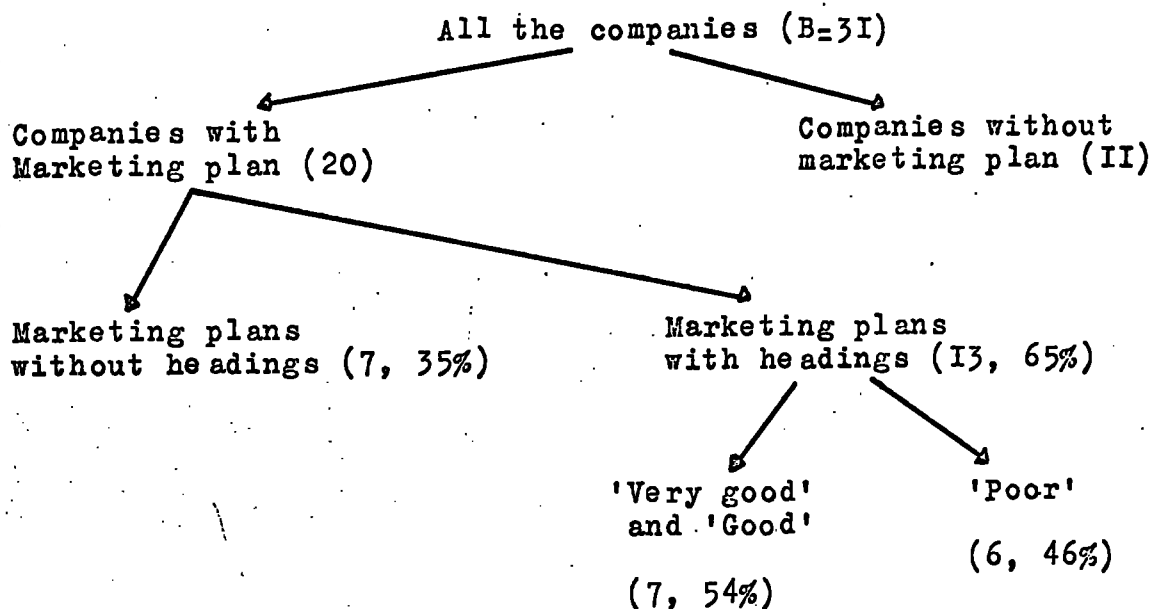
The above mentioned conclusions reflect a satisfactory state concerning the strategies used by the Chemical companies. Nevertheless the identified weaknesses point to the fact that there is a considerable number of companies which are in a transitional stage from the traditional methods to the new marketing oriented concept.



4. Existence of written-down marketing plan.

The existence of a written-down marketing plan has been reported by 65% or 20 out of the 31 Chemical companies. However only 13 out of these 20 companies were able to state the contents of their marketing plan, and from these 13 plans only 7 have been characterised as 'very good' or 'good'.

Table 42 Marketing Plan



From the above table it is obvious that the majority of companies with marketing plans were either unable to report the specific features of their plans or have reported some headings which were far from what one should expect to find in a marketing plan. (page 34).

The identification of some basic characteristics amongst the given headings and the grouping of them together is given in the following table. Also an attempt has been made to compare the findings of the present research with those stated by Hayhurst and Wills wherever this was possible.

Table 43 Contents of Marketing Plan

	<u>Present Data</u>			Hayhurst and Wills %
	The 13 companies %	All the companies %		
<u>Analysis of the present situation</u>	Trade forecast	8	3	-
	Commercial plan	8	3	-
	Competition	15	7	-
<u>Data required for objectives &amp; strategies</u>	Sales forecast	54	23	-
	Market analysis	31	13	-
	Product analysis	38	16	11
	Objectives	23	10	27
	Strategies	8	3	-
<u>Strategies adopted</u>	Promotion	31	13	25
	Finance	23	10	12
<u>Organization</u>	Organization & Training of the Manpower	31	13	-

The differences in the results concerning the 'objectives' and 'the promotion' is an indication of the inefficiency of the plans used by most of the Chemical companies. Only 3 out of the 13 firms consider the 'objectives' as an element of their marketing plan.

However the most important difference concerns the identified contents in the marketing plans of the Chemical companies and the companies examined by Hayhurst and Wills. This crucial question "what should be in a marketing plan" was the subject of a research conducted by Hart in 1973. During this research about 120 marketing men were asked to list the main headings they would include in a marketing

strategy. The results of his research as well as a comparison with the findings of the present study, are given in the following table.

Table 44 % Score from respondents, on what should appear in a marketing strategy

	Hart	Present data
Market research	82	31
Sales promotion	80	31
Product information	40	38
Price	40	-
Distribution	37	-
Budgets	30	-
Competition	29	-
Product development	28	38
Selling strategy	26	8
Corporate plans	22	-
Selling platform	21	-
Service	20	-
Sales targets	20	-
Resources	14	-
Production	12	-
Measuring results	12	-
Marketing mix	10	-
Test marketing	10	-
Profit	10	-
Timing	6	-
Branding	2	-

The discrepancy between the present data and those given by Hart is mainly due to the fact that while in the present research respondents have indicated what they actually do in practice, in Hart's study respondents have been encouraged to indicate the subject headings in an academic sense. Also, most of the companies examined during the present study were manufacturers of industrial products while those examined by Hart were mainly manufacturers of consumer goods, and consequently they gave more emphasis to different points.

However what emerges from the above table is the difficulty in the generalization on a pattern concerning the contents of the marketing plan, as they depend strongly on the nature of the business and on the size of the company. Nevertheless there are some features such as: analysis of the environment, setting of objectives, development of strategies and organization of the marketing department, which should appear in every marketing plan irrespective of the nature and the size of the company.

However the limited number of marketing plans available for examination (13 only) prevent us from drawing any generalized conclusion on this subject.

As it was expected the chi square analysis showed a strong relation between the existence of the marketing plan and the firm's size. Thus while both the two large companies and 10 out of the 12 medium - 85% of all the large and medium - had a written marketing plan, only 8 out of the 17 small companies (47%) reported its existence. It has been established then that the larger the company the more possible the existence of a written marketing plan within it.

Also an attempt has been made to identify any relation between the existence of a written marketing plan and the firm's nature of business activity. However no such a relation has been found from the analysis of the existing data.

The above analysis revealed that there is still a considerable number of Chemical companies (11, or 35%) which have no marketing plan and also that some firms which claim to have such plans were unable to report any specific feature about them.

The above could be explained taking into account the fact that most of the examined companies are within the smallest size category and as already has been shown the existence of a written marketing plan is strongly related to the size of the company. However the lack of marketing plan still remains as one of the most important weaknesses in the implementation of the marketing concept within the Chemical companies.

It is the author's view that it is not enough for a company to have a sales forecast plan, or a promotional plan, or to carry out a piece of market research. What is necessary is the existence of a written marketing plan which "will give firm direction to the marketing operation, will eliminate confusion between executives and departments, will set targets for the measuring of progress" (page 30 ) and will integrate and coordinate all the activities towards the achievement of its objectives and targets.

## 5. Organization of the Marketing department

It is known that the marketing concept calls for integration and coordination of the various marketing functions. However, it can be argued that whilst the marketing concept is good commonsense there is no need for it to be accompanied by the presence of a formally unified structure. This is particularly obvious in relation to medium and small size companies.

The present study revealed that the majority of the examined companies are at the midpoint of the integration of their marketing department. The analysis comprised the examination of the organizational status of the Chief Marketing Executive and his responsibilities. If the marketing concept is in force he should be on the same level of the firm's organizational chart as the Chief Production Executive, and he should have full control over the most marketing functions ( see page 32 )

The findings of the present study satisfy the first requirement. As far as the second is concerned, it has been found that Chief Marketing Executive has at least shared control over most of the marketing functions. (Table 45). Also the chi square analysis revealed a significant association between the status of the Chief Marketing Executive and his control over the marketing functions; higher status means more control and less status means less control.

With regard to what extent the Chief Marketing Executive controls all marketing functions, all the companies have been classified into three organizational groups:

First group: The Marketing Executive has full responsibility for all or at least most marketing functions.

Second group: The Marketing Executive has full responsibility for a few marketing activities and shared responsibility for all or most of the others.

Third group: The Marketing Executive has full or shared responsibility for a few marketing functions and no influence over all others.

The results of this examination are given in the following table:

Table 45 Integration of marketing activities under the

	<u>Chief Marketing Executive</u>		All companies %
	Large & Medium %	Small %	
First group	21	41	32
Second group	72	64	58
Third group	7	6	7

The analysis revealed that 7 (41%) of the small companies have their Chief Marketing Executive responsible for most of the marketing functions while only 3 (21%) of large and medium companies fall into this category. What can be assumed is that large and medium size companies having a larger and more complex marketing department found necessary to allocate the responsibility for the various marketing functions to more than one person. The fact that 72% of the large and medium size companies found to have their Chief Marketing Executive at least partly involved in most of the marketing functions, supports the above made assumption.

A comparison of the present results concerning the responsibilities of the Chief Marketing Executive with previous findings is stated in the following table.





The present findings agree with Hayhurst and Wills results and to some extent with Mann's and Saddik's. The only significant difference indicated concerns the function of packaging for which Chemical companies tend to give less full responsibility to their Chief Marketing Executive than the other companies. (Hayhurst & Wills, Mann, Hise). The possible reason for this can be sought in the fact that most of the companies examined in the present study are manufacturers of industrial goods and consequently the function of packaging is not very important to them.

Table 47 compares the status of the Chief Marketing Executive in the Chemical companies, in the companies examined by Saddik (Textile Industry) and in the companies examined by Hayhurst and Wills.

Table 47 Status of the Chief Marketing Executive

<u>Status</u>	Present data %	Saddik %	Hayhurst & Wills %
Higher	36	36	25
Equal	48	52	60
Lower	13	10	10
Non reply	3	2	-

The results of the present study agree with Saddik's findings and to some extent with those of Hayhurst and Wills.

Finally the title given to Chief Marketing Executive has been examined and compared with Hayhurst and Wills's, Saddik's and Mann's results. (Table 48)

Table 48 Title of Chief Marketing Executive

	Present Data %	Hayhurst & Wills %	Saddik %	Mann %
Managing Director	26	14	39	-
Marketing Director	19	25	5	5
Sales Director	16	30	30	36
Marketing Manager	10	9	2	4
Sales Manager	10	8	-	23
Commercial Director	3	2	-	-
Others	16	12	6	28

The above comparison shows no relation amongst the results of the different studies. Nevertheless it is worth noticing the fact that in both the Chemical industry and the Textile industry (Saddik) the most common title found was that of Managing Director. When we break down the results according to the firm's size this relation is more obvious between the small firms.

Table 49 Title of Chief Marketing Executive

Analysis by size of company

	Present data		Saddik	
	Large & Medium %	Small %	Medium %	Small %
Managing Director	-	47	36	45
Marketing Director	36	6	6	4
Sales Director	14	17	28	27
Marketing Manager	14	6	4	1
Sales Manager	14	6	5	5
Commercial Director	7	-	-	-
Others	14	18	8	5

Hayhurst and Wills in their study have found that the title of Managing Director was more frequent in the smallest size companies while that of Marketing Director was more frequent in the larger companies. The present results agree with the above findings.

However the absence of the title of Marketing Director within the small companies does not necessarily mean that the marketing functions are not carried out.

The conclusions concerning the organizational structures of the Chemical companies with previous research findings are as follows:

I. Carson's conclusion on marketing organization in British manufacturing firms was that: "Despite some doubts and misgivings the unified marketing organization has been widely adopted by a sample of British manufacturers in recent years!"

The conclusion drawn here differs from the present study since it was found that most of the companies are at the midpoint of the integration of their marketing department.

2. Hise, reporting on marketing orientation in American manufacturing firms concludes that:

- a) Both large and medium manufacturing firms have adopted the marketing concept.
- b) The greatest degree of acceptance is found in the customer orientation of marketing programmes and in the organizational structure of the marketing department, particularly in the status provided the Chief Marketing Executive.

The present findings are similar to Hise's conclusion.

3. McNamara in his study of "the present status of the Marketing Concept in 1492 American companies" (including 44 Chemical and allied products companies), found that "the majority of the companies are at the midpoint of the integration of their marketing department".

The present findings agree with the above conclusion (Table 45)

4. Mann in his study of Yorkshire industry finds that most companies do not give full responsibility for physical distribution and pricing to their Chief Marketing Executive.

The present findings agree with this conclusion. (Table 46).

He also finds that where the term 'marketing' is used in the title of Chief Marketing Executive, they have more responsibility than otherwise.

Again the present findings are in accordance with this conclusion. (Table 50)

Table 50 Responsibilities of Chief Marketing Executive

	<u>classified by title</u>								
	<u>Marketing Dir./</u>			<u>Sales Dir./</u>			<u>Other</u>		
	<u>Manager</u>			<u>Manager</u>			<u>Titles</u>		
	Full	Shared	Nil	Full	Shared	Nil	Full	Shared	Nil
	%	%	%	%	%	%	%	%	%
Sales forecasting	38	50	12	89	11	-	59	25	-
Marketing Research	63	12	25	56	33	11	33	59	-
Advertising & Promotion	75	25	-	67	22	11	42	50	8
Overseas Marketing	50	38	12	45	11	11	67	17	8
Physical distribution	37	25	37	11	34	33	-	59	33
Packaging	12	88	-	-	45	22	8	59	8
Public Relations	12	88	-	22	67	-	26	50	8
New prod. planning	12	88	-	11	67	11	59	25	-
Pricing	25	75	-	22	67	11	59	33	8
Marketing Staff selec.	63	37	-	56	44	-	67	25	8

5. Saddik in his study of the British Textile Industry finds that:

- a) Most companies have integrated marketing organizations which are compatible with a marketing orientation generally.
- b) Larger measure of responsibility by the Chief Marketing Executive over marketing is associated with higher status and to a lesser extent with a larger size of company.

The present study revealed a trend amongst the examined companies towards the integrated marketing department. Also the chi square analysis revealed that the responsibility of the Chief Marketing Executive is mainly associated with his status.

6. Finally both Saddik, and Hayhurst and Wills found that:

- a) In the majority of the companies the Chief Marketing Executive is at least partly involved in most of the marketing functions.
- b) In the majority of companies the Chief Marketing Executive is in a position equal to Chief Production Executive.

The present findings give similar conclusions. (Tables 45, 47)

Finally it can be concluded that the results of the present study agree almost with all the previous findings. This is an encouraging sign as it stresses that the organizational structure of most of the examined Chemical companies follows the general trend of marketing orientation which has been identified within the British companies from previous research studies.

6. Attitudes expressed towards marketing statements

The majority of the examined companies (19 out of the 31, or 61%), have expressed either 'very good' or 'good' attitudes towards the marketing statements.

The analysis of the data by size of company indicates a significant relation between the size of the company and the expressed attitudes. As it was expected larger companies appeared to be more marketing oriented concerning their attitudes, than smaller size companies.

Another identified relation concerns the expressed attitudes and the organizational status of the Chief Marketing Executive. Thus it has been established that the higher the status the better the attitudes expressed towards marketing, and so the more marketing oriented the company.

Finally the existence of a written down marketing plan is found to have a significant relation with the attitudes concerning the marketing statements. It has been found then that the majority of companies with marketing plan (14 out of the 19, or 74%), have expressed better views than the companies without marketing plan.

The actual data concerning the responses to the various statements as well as a comparison of them with previous findings is given in Appendix VII.

The present data are in accordance with Hayhurst and Wills results while they mostly disagree with those stated by Mann. This discrepancy is more obvious in the first and third statement in which Yorkshire manufacturing companies indicate a product oriented attitude while Chemical companies a marketing oriented one. (page 5 )

The only marked differences between the Chemical companies and Hayhurst and Wills's sample are seen in the responses to statements two and five. Eighty four per cent of the British companies disagree or strongly disagree that "a well made product will sell itself", while only 64% of the Chemical companies take this viewpoint. This means that there is still a minority (26%) amongst the Chemical companies which follows the old concept of product orientation. Also 80% of the Chemical companies agree or strongly agree that "diversification policies should build on existing company resources" whereas only 62% of the British companies agree. It can be said then that Chemical companies have expressed the appropriate attitude toward the above statement since most of them are within the smallest size category.

The conclusion drawn from this part of the analysis is that most of the examined North Eastern Chemical companies have adopted the marketing concept and that according to this criterion can be characterised as marketing oriented.

From the comparison of the present results with those of Hayhurst and Wills, it has emerged that Chemical companies are in agreement with the companies examined by them. This point is interesting as the companies covered in the present research were only 31 and medium to small size, whereas

Hayhurst and Wills examined 2400 large companies.

Finally three relations have been established during the above analysis:

- a) The larger the company the better the attitudes expressed,
- b) The higher the status of the Chief Marketing Executive the better the attitudes expressed, and
- c) Companies with written-down marketing plan have expressed better attitudes than the companies without marketing plan.

7. Definition of the term 'Marketing'

Twenty five out of the 31 companies (80%) reply to the question "what do you understand by the term 'Marketing'?. The classification of these responses has as follows:

Table 5I Marketing definitions

	<u>Very good</u>	<u>Good</u>	<u>Reasonable</u>	<u>Poor</u>	<u>No reply</u>
Number of companies	2	9	2	12	6
%	6	29	6	39	20

The majority of the companies have been characterised as 'reasonable' or 'poor' and only 11 out of them gave a satisfactory response.

The data have been subjected to chi square analysis aimed at discovering how far the given definitions correspond with the attitudes expressed toward marketing statements or with the size of the company, or even with the nature of its business activity. However no firm conclusion can be drawn from this analysis.



An attempt has been made to summarize the given responses into some groups. The following table comprises these general headings as well as a comparison with Hayhurst and Wills results, wherever this was possible. However the actual replies are contained in Appendix III.

Table 52 Definition of the term 'Marketing'

	Present Data	Hayhurst & Wills
<u>Summary of definitions</u>	%	%
Profit maximization	16	-
Satisfaction of customer needs profitably	16	19
Satisfaction of customer needs	3	14
Product promotion	10	5
Having the right goods in the right place at the right time at the right price, the 4 Rs	10	3
Selling	10	13
Development, distribution and selling of products	6	-
Good business practice	3	-
Market research	3	5
Exploration of outlets for existing and future products	3	-
No response	20	

As it emerges from the above comparison there is very little agreement between the results of the present study and those stated by Hayhurst and Wills.

Sixteen per cent of the examined companies, that is the largest group of respondents, referred to "satisfaction of customers needs profitably" and an additional three per cent referred to "satisfaction of customers needs". This could be seen as an evidence of progress of the examined chemical companies towards the understanding of the meaning of marketing. However the majority of the examined companies failed to give a satisfactory definition of the term 'marketing'.

Ten per cent of the chemical companies defined marketing as "product promotion" while only five per cent of Hayhurst and Wills's sample gave this definition. This could mean that the examined companies, due to their small size, consider their products as separate entities and pay more attention to them.

The conclusion drawn from this part of the analysis is that only 29% or 9 out of the 31 companies gave satisfactory definitions of marketing which were "satisfaction of customer needs profitably" or the 4 Rs, or the "satisfaction of customer needs". The majority of the examined companies have confused marketing with its techniques. For example, "selling" is part of marketing but not its purpose (page 5). "Product promotion" is a technique used in marketing, the same applies to the "development, distribution and selling of products". Also "marketing research" is only a tool of marketing used for the

identification of the customer's needs in order to satisfy them. Finally "profit maximization" is part of the purpose of marketing but within the constraint of "sensitively serving and satisfying of human needs". (page 9)

So without an understanding of the real purpose of marketing which demands customer orientation within the firm, it is possible that these tools may not be used effectively.

7. SUMMARY AND CONCLUSION  
-----

The examined companies have been classified into two groups: the 'very good and good' and the 'reasonable and poor' group, concerning the points:

1. Estimation of the present situation,
2. Data required for establishing objectives and strategies,
3. Strategies adopted,
4. Existence of marketing plan,
5. Responsibilities of the Chief Marketing Executive,
6. Attitudes expressed towards marketing statements, and
7. Definition of the term 'Marketing'.

Table 53 All the results (B = 31)

	<u>Very good &amp; Good</u>		<u>Reasonable &amp; Poor</u>	
	Number of companies	%	Number of companies	%
Estimation	20	65	11	35
Data required	22	71	9	29
Strategies adopted	21	68	10	32
Responsibilities	13	42	18	58
Attitudes	19	61	12	39
Marketing definition	11	35	14	45

Existence of Marketing plan

	Number of companies	%
Yes	20	65
NO	11	35

From the analysis of the above points it can be concluded that the majority of the examined Chemical companies have accepted and implemented the marketing concept.

The results of an opinion study by Steiner (1969), covering 250 Executives in 200 organizations can be viewed as supporting the above conclusion. Steiner's study revealed that amongst the most important factors rated by the managers was "service to customers", "knowledge about market", and "vigor in sales organization". It was found that there were differences in emphasis between industries and better long range planning in cooperating the marketing function was viewed as of strategic importance in the Chemical Industry.

The analysis also revealed the following weaknesses amongst the examined companies.

I. Inadequate promotion.

- a) 39% of the companies rely only on one or two promotional methods (Table 38).
  - b) 83% of the companies spend less than 5% of their gross sales revenue on promotion (Table 40).
  - c) Most of the examined companies base their decision concerning the amount to be spent on advertising on some old methods such as "past sales" or "profit" or the "same each year". (Table 4I)
2. 35% of the examined companies have no written-down marketing plan. (Table 42).
  3. The majority of companies were unable to give a satisfactory definition of the term 'Marketing'. (tables 5I, 52).

The present study has however demonstrated that most of the examined companies are aware of the operational needs of the marketing concept and have formed their activities in a way which reflects the pattern required when accepting this concept.

In addition it has been found that the acceptance of the marketing concept and the application of it in operational terms is strongly related to the size of the company. It has been established that large and medium size companies are ahead in the implementation of the marketing concept than smaller companies, concerning the following points:

1. Estimation of the present situation,
2. Data required for establishing objectives and strategies,
3. Strategies adopted,
4. Existence of written marketing plan,
5. Attitudes expressed towards marketing statements, and
6. Definitions of the term 'Marketing'.

Though it could be argued that marketing concept is more useful to larger size companies, a research conducted by Barksdale and Darden and covering the opinion profile of 199 Presidents, 205 Marketing Directors and 198 Educators, on the marketing concept and its contributions, revealed that:

"Executives and educators agreed almost unanimously that the marketing concept is equally valid for large and small firms. Some respondents pointed out that there is often greater reliance on short-run strategies in smaller companies, explaining that problems of immediate survival may preclude implementation of the concept. Others expressed the opinion that the

marketing concept is more important for smaller firms than larger organizations".

Nevertheless the analysis revealed a trend amongst the smaller companies towards the marketing orientation, since most of them have been characterised as being at the midpoint of the implementation of the marketing concept.

The chi square analysis revealed the existence of two separate groups amongst the examined companies, concerning the three first step of the analysis. (page 60). As a basis of distinction between those groups has been taken the existence of written-down marketing plan, since the examined points are part of the marketing planning process.(page 34) As it was expected companies with written marketing plan were either 'very good' or 'good' in analysing the environment, collecting information for establishing objectives and setting strategies to meet these objectives. On the other hand companies without marketing plan have found to be either 'reasonable' or 'poor' concerning the above points.

Also companies with written marketing plan have expressed better attitudes towards the marketing statements than companies without marketing plan.

The existence of the above mentioned groups is more apparent within the smaller size companies. (page 86 )

Finally it is worthwhile noticing that the above conclusions cover only the medium and small size Chemical companies of the N.E. of England, since only two large companies completed the questionnaire.

REFERENCES

ANSOFF I., "Corporate Strategy"

New York, McGraw Hill , 1965

ARGENTI J., "Corporate planning: a practical guide"

London, G.Allen & Unwin Ltd., 1968

ARGENTI J., "Defining Corporate Objectives"

Long Range Planning, March 1969, Vol.I, No 3, p 24

ARMSTRONG J.F., "How to set Corporate Objectives"

Management by objectives, Vol.I, No 4, 1973, p 36

ARTHUR D.L., SCHAEFER N.V., "The future role of Marketing"

Fall Conference Proceedings, 1972 , pp 535-538

Chicago: American Marketing Association

BAKER M.A., and others., "Permeation of the Marketing Concept

in Yorkshire Manufacturing Industries", Graduate Project,

Management centre, University of Bradford, 1967

BORDEN N.H., "The Concept of the Marketing Mix"

Journal of Advertising Research, June 1964

BUZZEL R., NOURSE R., MATHEWS J.Jr., LEVITT T. "Marketing: a

Contemporary Analysis", Second Ed. McGraw Hill, 1972

CARSON D. "Marketing Organisation in British manufacturing

firms", Journal of Marketing, Vol.32, No 2, April 1968, pp 34-39

CLINKENBEARD W.L., ERDELY A., "The Chemical Industry: its

present development and future potential",

Futures, March 1970, pp 59-64



CULLITON J.W., "The Management of Marketing Costs"

Andover, Mass. : The Andover Press, Ltd. 1948

CARROL J.C., "Marketing Practices of Furniture Manufacturers in Arkansas", Unpublished Ph.D. Thesis,

University of Arkansas, 1965

DARLING J.R., "An expanded perspective of consumer Marketing"

A symposium on the Societal implications on Marketing

The Journal of Consumer Affaires, Summer 1971

DRUCKER P., "The Practice of Management"

Mercury Books, 1963, pp 29-30

DRUCKER P., "Managing for Results"

London: W.Heinemann Ltd. 1964

ENIS B.M., "Deepening the Concept of Marketing"

Journal of Marketing, Vol.37, No.4, October 1973, pp 57-62

EVERSON J.W., "Marketing Planning in the Chemical Industry"

Chemical Marketing Research, edited by N.H.Giragosian,

Reinhold Publishing Co. 1967

FAYOL H., "General and Industrial Management"

Sir Isaac Pitman & Sons Ltd. London, 1949

FARLEY J.M., LEAVITT H., "Marketing and Population problems"

Journal of Marketing, Vol.35, No 3, July 1971, pp 28-33

FELTON A.P., "Making the Marketing Concept Work"

Harvard Business Review, Vol.37, July-August 1959

FOSTER D., "Planning in the smaller company"  
Long Range Planning, Vol.4, No I, September 1971

FOSTER D., "Planning for products and markets"  
London: Longman Group Ltd. 1972a

FOSTER D., "Successful management in developing countries"  
2.Principles in Marketing, Orient Longman Ltd. 1972b

FOX H.W., "The accountant's role in the preparation of  
Marketing plans", The National Public Accountant, April 1972

FREY A., "Advertising" 3rd edition,  
New York: The Ronald Press Co., 1961, p 30

GIRAGOSIAN N.H., "Chemical Marketing Research"  
Reinhold Publishing Co., 1967

GRANGER C.H. "The hierarchy of objectives"  
Harvard Business Review, May-June 1964, Vol.42, No 3 pp 63-74

HARGREAVES D., "Corporate Planning: a chairman's guide"  
Long Range Planning, Vol.I, No 3, March 1969

HART N., "The missing pieces in the Marketing Plan"  
Marketing, November 1973, pp 68-71

HAYHURST R., WILLS G., "Organizational design for marketing  
futures", London: G.Allen & Unwin Ltd. 1972

HELLER R., "The state of British Boardrooms"  
Management Today, May. 1973, pp80-83

HISE R., "Have manufacturing firms adopted the Marketing Concept?", Journal of Marketing, Vol.29, No 3, July 1965, pp 9-12

HULL R.L., "The Workings and Philosophies of the Pharmaceutical Industry", National Pharmaceutical Council, New York, 1959, pp 53-63

JAHODA M., DEUTSCH M., COOK S.W., ed. "Research Methods in Social Relations", N.York: The Dryden Press, 1951

KAHN A., "The structure of American Industry"

KEITH R.J., "The Marketing Revolution"

Journal of Marketing, Vol.24, No I, January 1960, pp 35-38

KELLEY E., LAZER W., "Managerial Marketing" p 415

KING J.N., "Planning of capital expenditure in the Chemical Industry", Chemistry and Industry, 2 May 1970

KONOPA L., CALABRO P., "Adoption of the Marketing Concept by large Northeastern Ohio manufacturers"

Akron Business & Economic Review. Spring 1971

KOTLER P., LEVY S., "Broadening the Concept of Marketing"

Journal of Marketing, Vol.33, No I, January 1969, pp 10-15 (a)

KOTLER P., LEVY S., "A new form of Marketing Myopia: Rejoinder to Professor Luck", Journal of Marketing, Vol.33, No 3

July 1969, pp 55-57 (b)

KOTLER P., ZALTMAN G., "Social Marketing: an approach to planned social change", Journal of Marketing, Vol.35, No 3

July 1971, pp 3-12

KOTLER P., "Marketing Management: analysis, planning, and control", Englewood Cliffs. N.J., Prentice Hall inc. 1972a

KOTLER P., "A Generic Concept of Marketing"

Journal of Marketing, Vol.36, No 2, April 1972, pp 46-54 (b)

LAVIDGE R.L., "The growing Responsibilities of Marketing"

Journal of Marketing, Vol.34, No I, January 1970, pp 25-28

LAZER W., "Marketing's Changing Social Relationships"

Journal of Marketing Vol.33, No I, January 1969, pp 3-9

LAZO H., "Big business gives big O.K. in Marketing Management"

Sales Management, Vol.8I, 2I November 1958

LEVY S.J., KOTLER P., "Beyond Marketing: The Furthering Concept"

California Management Review, Vol.XII, No 2, Winter 1969

LEVITT T., "Marketing Myopia"

Harverd Business Review, July-August 1960

LEWIS E.H., and others, "Growth of the Marketing Concept in

Manufacturing Companies", University of Minnesota, 1964

LIDNER F., ed., "Medical Advertising: Its role, ethics, and

concepts", N.York State, Journal of Medicine, 1964

LIPSON H., DARLING J., "Introduction to Marketing Administration:

An Analytical Approach", University of Alabama, 1968

LIPSON H., REYNOLDS F.D., "The Concept of the Marketing Mix:

Its development, uses, and applications!"

M.S.U. Business Topics, Winter 1970

LOGAN J.P., "Economic forecasts, decision, process and types of plans", University of Columbia, 1960

LUCK D.J., "Broadening the Concept of Marketing- Too far"  
Journal of Marketing, Vol.33, No 3, July 1969, pp 53-55

McCARTHY E.J., "Basic Marketing: A Managerial Approach", 3rd ed.  
Homewood, Ill.: R.D.Irwin Inc. 1968

McNAMARA C.P., "The present status of the Marketing Concept"  
Journal of Marketing, Vol.36, No I, January 1972, pp 50-57

MARKETING STAFF OF THE OHIO STATE UNIVERSITY, "A Statement of  
Marketing Philosophy" Journal of Marketing, Vol.29, No I,  
January 1965, pp 43-44

MINDAK W.A., BYBEE M.H., "Marketing's application to Fund  
Raising", Journal of Marketing, Vol.35, No 3, July 1969, pp 13-18

MUNSINGER G.M., "Total Marketing: The role of the Marketing  
Concept in 112 leading Industrial Organisations",  
Unpublished Ph.D. Thesis, University of Arkansas, 1964

NEWMAN J.W., "New insight, new progress, for marketing"  
Harvard Business Review, November- December 1957

PEARSON A.E., "An approach to successful Marketing Planning",  
Business Horizons, Winter 1959, pp 74-82

PERRIN R., "Long Range Planning: The concept and the need"  
Long Range Planning, Vol.I, No I, September 1968

RODGER L., "Marketing in a competitive economy"

London, Hutchinson & Co. Ltd. 1968

SADDIK S.M.A., "Marketing in the Wool Textile, Textile Machinery and Clothing Industries", Ph.D. Thesis,

University of Bradford, 1969

SCOTT B.W., "Long Range Planning in American Industry"

American Management Association. Inc., 1965

SELLTIZ C., JAHODA M., DEUTCH M., COOK S.W., "Research methods in social relations", Methnen & Co. Ltd. 1965

STANTON W.J., "Fundamentals of Marketing"

McGraw Hill Book Co., 1964

Statistical Survey: Census shows improvement in U.K. Chemical Industry", Chemistry and Industry, 19 January 1974, pp 46-47

STEINER G., "Top Management Planning"

N.York: McMillan Co. 1969

SPIEGELBERG R., "Innovation and the Chemical Industry"

Chemistry and Industry, 23 May 1970

TERRY G.R., "Principles of Management" 3rd ed.

Homewood Ill. R.D.Irwin Inc. 1960, p 123

VIZZA R.F., T.E.Chambers and E.J.Cook, "Adoption to the Marketing Concept- Fact or Fiction?", New York 1967

TROWBRIDGE M.E.O'K. "Market Research and Forecasting as applied to the Chemical Plant Industry- Objectives, Advantages and Procedures", The Chemical Engineer, November 1969

WARD P., "The dynamics of planning"  
Oxford; Pergamon Press Ltd. 1970

WEEKS R.R., MARX W.J., "The Marketing Concept: Problems and Promises", Business and Society, Autumn 1968

WEEKS R.R., MARX W.J., "The Marketing Concept in Historical Perspective", Business and Society, Spring 1969

WILSON L., "Marketing apathy could be cause of sick Britain"  
Marketing, February 1974, p 7

WINKLER J., "Marketing Planning"  
London: Ass. Business Programmes, 1972

WINNER L., "Are you really planning your marketing?"  
Journal of Marketing Vol.29, No I, January 1965, pp I-8

ZALTMAN G., VERTINSKY I., "Health Service Marketing: A suggested model", Journal of Marketing, Vol.35, No 3, July 1971, pp 13-18

ZIKMUND W. G. , STANTON W.J., "Recycling solid wastes: A channels-of-distribution problem", Journal of Marketing Vol.35, No 3 July 1971, pp 34-39

SUPPLEMENTUM

BARKSDALE & DARDEN B., "Marketers' attitudes toward the Marketing concept" Journal of marketing, 1970

DEAN J., "Managerial Economics", Ch. 6

HAYNES W.W., "Pricing Decisions in Small Business"  
United States, 1962

JAMES B.G.S., "Integrated Marketing"  
Pelican Books 1972

KAPLAN; DIRLAM, LANZILOTTI, "Pricing in Big Business"  
United States 1958

STEINER G.A. "Strategic factors in Business success"  
N.Y. Financial Executives Research Foundation, 1969, pp 58-59

STERN M.E., "Marketing Planning: a systems approach"  
McGraw Hill Book Co. 1966

WILLS G., "Implementing the Marketing Concept"  
"Exploration in Marketing Thought", Bradford University Press,  
1971, pp 1-30



APPENDIX I

THE QUESTIONNAIRE

Instruction

Please put a circle round the number which most closely agrees with your answer.

Questions 16, 17, 18, 54, 55, 76-86 require a figure, while questions 15, 22, 37-39, 43, 47, 53, 96, 97 require a note.

1. Could you please state the precise title of the executive with main responsibility for marketing (Chief Marketing Executive).

- Sales Director 1
- Commercial Director 2
- Marketing Director 3
- Managing Director 4
- Sales Manager 5
- Marketing Manager 6
- Any other (please specify):-

---



---

2. For which of the following functions has the Chief Marketing Executive full responsibility, shared responsibility or no responsibility?

	<u>Full Res- ponsibility</u>	<u>Shared Res- ponsibility</u>	<u>No Respon- sibility</u>	<u>Not appli- cable</u>
3. Sales forecasting	1	2	3	8
4. Marketing research	1	2	3	8
5. Advertising and promotion	1	2	3	8
6. Overseas Marketing	1	2	3	8
7. Pricing	1	2	3	8
8. Physical distribution	1	2	3	8
9. Packaging	1	2	3	8
10. Public relations	1	2	3	8
11. Marketing staff selection and training	1	2	3	8
12. New product planning	1	2	3	8

13. Does your Company have a written-down organisation chart?

Yes 1 No 2

14. In relation to the Chief Production Executive is the Chief Marketing Executive:-

Of equal status? 1 Of lower status? 2 Of higher status? 3

15. What are the titles of the personnel reporting directly to the Chief Marketing Executive?

16. How many people are employed in the marketing area?

17. How many of the total employed in the marketing area are full-time marketing executives?

18. How many of the total employed in the marketing area are members of the sales force?

19. Do any marketing executives have written-down job specifications?

Yes 1 No 2

20. If yes, is it general company policy to have written-down job specifications for all company executives?

Yes 1 No 2

21. Do you break your marketing activities down

(a) according to products in your range?

Yes 1 No 2

(b) according to geographic area?

Yes 1 No 2

(c) according to customers?

Yes 1 No 2

(d) according to any combination of the above?

Yes 1 No 2

22. (e) In any other way? (Please specify)

Yes 1 No 2

Many firms use external agencies to assist them in carrying out a part or all of a number of marketing activities. Will you please say whether you use external agencies either partly or entirely in respect of the functions listed:-

	<u>Partly/ Occasionally</u>	<u>Entirely</u>	<u>Not used</u>	<u>Not appropriate</u>
23. Display/Pack Design	1	2	3	9
24. Advertising	1	2	3	9
25. Marketing Research	1	2	3	9
26. Public Relations	1	2	3	9
27. Transport of finished goods	1	2	3	9
28. Sales operation	1	2	3	9
29. Customer credit	1	2	3	9

30. Has the Chief Marketing Executive ever attended any educational courses in marketing either before or after joining your company?

Yes            1                                  No            2

Which of these methods of promotion do you employ to sell your products? (For all promotional methods used, we should be grateful if you could indicate the approximate proportion of the promotional budget that each represents).

	<u>Used</u>	<u>Not used</u>	<u>% of Total Promotion</u>
31. Personal selling	1	2	
32. Above the line advertising	1	2	
33. Below the line advertising	1	2	
34. Direct mail	1	2	
35. Exhibitions	1	2	
36. Public relations	1	2	
Any other (please specify):-			
37. _____			
38. _____			
39. _____			

40. Approximately what proportion of gross sales revenue did your total promotional expenditure represent in the last financial year?

Under 1%	1	1%-2.9%	2
3%-4.9%	3	5%-10%	4
Over 10%	5		

41. On what basis do you determine the amount to be spent on advertising?

Percentage of past sales	1
Percentage of expected sales	2
Percentage of profit	3
Other (please specify)	

---

42. On what basis do you generally fix your prices?

"Cost plus"	1
"Cost plus" modified by market conditions	2
Market conditions	3
Any other (please specify):-	

43. What are the major factors considered in selecting the channels of distribution you use?

44. Which of the following distribution channels do you use?

Wholesalers	1
Retailers	2
Direct to users	3
Agents/Brokers	4
Other	7

45. For what periods ahead does your company develop forecasts for total company sales?

Less than one year	1
1 year and less than 3 years	2
3 years and less than 5 years	3
5 years and less than 10 years	4
10 years and over	5

46. Does your company have written-down marketing plans?

Yes 1                      No 2

(If yes) For what periods?

Less than one year	1
1 year and less than 3 years	2
3 years and less than 5 years	3
5 years and less than 10 years	4
10 years and over	5

47. What are the principal headings of your current marketing plan?

48. Which senior executives participate in the preparation of your marketing plans?

Chief Executive	1
Chief Marketing Executive	2
Chief Production Executive	3
Head of Research and Development	4
Chief Finance Executive	5
Others (please specify):-	

---

---

49. Do you ever carry out any marketing research activities?

Yes 1 No 2

(If no, please proceed to question 89).

(If yes). Does anyone in the company have full-time responsibility for marketing research?

Yes 1 No 2

50. (If yes). What is his/her precise job title?

(If no, proceed to question 53)

Market Research Manager 1

Market Research Officer 2

Any other (please specify):-

---

---

51. Does he/she have a written-down job specification?

Yes 1 No 2

52. How long has the company had someone responsible for marketing research on a full-time basis?

Less than one year 1

1 year and less than 3 2

3 years and less than 5 3

5 years and less than 10 4

10 years and over 5

53. To whom is the senior marketing researcher responsible in your company?

54. What was the total cost of marketing research activities in your last financial year?

55. Have you ever tested new products by marketing them in a restricted geographical area?

(If yes). What percentage of your new products are tested in this way?

%

Which of the following marketing research activities were carried out either by your own personnel or an external agency during 1972?

	<u>Not</u>	<u>Internal</u>	<u>External</u>	<u>Both</u>
56. Studies of acceptability and potential of new products	1	2	3	4
57. Studies of present products versus competition	1	2	3	4
58. Packaging research and design	1	2	3	4
59. Research on competitor's products	1	2	3	4
60. Product testing, blind product tests	1	2	3	4
61. Assessment of market potential	1	2	3	4
62. Determination of market characteristics	1	2	3	4
63. Market share analysis	1	2	3	4
64. Studies of market changes (geographic, age-distribution, etc.)	1	2	3	4
65. Sales analysis	1	2	3	4
66. Establishment of sales quotas	1	2	3	4
67. Establishment of sales territories	1	2	3	4
68. Studies of effectiveness of methods of paying salesmen	1	2	3	4
69. Analysis of effectiveness of channels of distribution	1	2	3	4
70. Distribution cost studies	1	2	3	4
71. Test marketing	1	2	3	4
72. Retail audits	1	2	3	4
73. Measuring effectiveness of special offers	1	2	3	4
74. Copy research	1	2	3	4
75. Media studies	1	2	3	4



What proportion of your total marketing research expenditure went on specific areas of marketing activity last year?

- 76. Product \_\_\_\_\_%
- 77. Market \_\_\_\_\_%
- 78. Sales including distribution \_\_\_\_\_%
- 79. Advertising and promotion \_\_\_\_\_%
- 80. Others \_\_\_\_\_%

We have examined your marketing research activities in terms of the data they generate.

Could you now please, describe the most important techniques you use in terms of expenditure on each as a proportion of your total research expenditure?

- 81. Qualitative Research \_\_\_\_\_%
- 82. Trade/Retail Audits \_\_\_\_\_%
- 83. Customer Panels \_\_\_\_\_%
- 84. Continuous Surveys \_\_\_\_\_%
- 85. Ad hoc Surveys \_\_\_\_\_%
- 86. Experimentation \_\_\_\_\_%

Others (please specify):-

- 87. \_\_\_\_\_%
- 88. \_\_\_\_\_%

Below are a number of statements which have been made about some aspects of business activity.

Please indicate the extent to which you agree or disagree with each statement by circling the appropriate response. A space is provided for any comments you may wish to make:

- 89. "The marketing man's job is simply to sell what the works produce".
  - Strongly agree (1)
  - Agree (2)
  - Undecided (3)
  - Disagree (4)
  - Strongly disagree (5)

Further comment:

90. "Our main task is to increase sales volume. Profits will follow naturally".

- Strongly agree (1)
- Agree (2)
- Undecided (3)
- Disagree (4)
- Strongly disagree (5)

Further comment:

91. "A well made product will sell itself".

- Strongly agree (1)
- Agree (2)
- Undecided (3)
- Disagree (4)
- Strongly disagree (5)

Further comment:

92. "Further increases in profitability will be attained mainly by more efficient production".

- Strongly agree (1)
- Agree (2)
- Undecided (3)
- Disagree (4)
- Strongly disagree (5)

Further comment:

93. "Diversification policies should build on existing company resources".

Strongly agree	(1)
Agree	(2)
Undecided	(3)
Disagree	(4)
Strongly disagree	(5)

Further comment:

94. "Provided we succeed in selling a planned level of production, we should not be too concerned with trends in the total market".

Strongly agree	(1)
Agree	(2)
Undecided	(3)
Disagree	(4)
Strongly disagree	(5)

Further comment:

95. "In our type of business we know the market too well to need marketing research".

Strongly agree	(1)
Agree	(2)
Undecided	(3)
Disagree	(4)
Strongly disagree	(5)

Further comment:

96. What do you understand by the term "marketing?"

97. What implications do you think developments in marketing will have for the way you organize your activities in the next 10 to 15 years?

CLASSIFICATION DATA

98. Size in terms of total number of people employed.

Up to 249	1
250-499 people	2
500-999 people	3
1,000-2,999 people	4
3,000-4,999 people	5
5,000 and over	6

99. Size in terms of Gross Sales Revenue during last financial year.

Below £1 m.	1
£1 m.-4.9 m.	2
£5 m.-9.9 m.	3
£10 m.-24.9 m.	4
£25 m.-49.9 m.	5
£50 m. or over	6

100. Nature of business activity

Manufacture of Consumer Products	1
Manufacture of Industrial Products	2
Distribution	3
Services	4

THANK YOU FOR YOUR HELP

ALICE MYRIANTHIS.

APPENDIX II

THE LETTER



30 Old Elvet Durham Telephone 5266 Extension

22nd June 1973

Dear Sir,

I am undertaking research into those Companies in North East England which are part of the "Chemical Industry"\*.

The objective of the research is to enquire into the state of Marketing in the industry.

I am seeking your assistance by asking if you will cooperate with this work by studying the enclosed questionnaire and in response to each question putting a ring round the number which most closely corresponds with your answer. In a few questions you are asked to put a figure.

As you will see, the questionnaire is confidential. Your reply does not give your name. The only general indication of your Company is via the Classification data: numbers employed, gross sales revenue, nature of business activity. This cannot be translated into Company identity.

I recognise that there are many questions and that this will take up some of your valuable time. However, I am sure you will recognise that the results of this work could have an important bearing upon the development of organisations in the chemical industry and I therefore seek your assistance. In return I will make available to you a copy of my analysis and conclusions based on the evidence obtained.

I enclose a stamped and addressed envelope for your reply.

Yours faithfully,

Mrs. A.M. Myrianthis.

\* "Chemical Industry" as defined by the Department of Trade & Industry Standard Industrial Classification No. 271:279

General Chemicals

Inorganic chemicals (including inorganic gasses)

Organic chemicals (including organic gasses)

Other chemicals

Pharmaceutical Chemicals & Preparations

Toilet Preparations

Paint

Soap & Detergents

Synthetic Resins & Plastic Materials & Synthetic Rubber

Dyestuffs & Pigments

Fertilizers

Polishes

Formulated adhesives

Explosives, fireworks

Formulated pesticides

Printing ink

Surgical bandages

Photographic chemical material

APPENDIX III

DEFINITIONS OF MARKETING BY  
MARKETING EXECUTIVES

Responses to question: "What do you understand by the term 'marketing' ?

1. The overall function of advising how to develop, distribute, and sell a product or service.
2. Selecting those consumer needs or wants we are prepared to satisfy because of their profitability to the company.
3. Creation of a product to fill a need in the market place at a price compatible with the need but maximising profitability to the manufacturers.
4. Making maximum profit from the business.
5. Offering of goods or services to a potential or established market and supplying the most suitable product/service for that market at a profit.
6. Marketing services are an aid to Sales/Technical personnel in promoting products.
7. To supply a product/service for which there is a demand, even though the demand may be latent, and present it in a manner which achieves sales and satisfies the demand.
8. Everything that is not concerned with production and finance. It includes elements of R. & D., distribution, money collection etc.
9. The balancing of the company's needs to sell, with the customers' needs to buy, and the manipulation of all aspects of these needs to make the most effective use of the company's resources and so bring about its objectives of which the major one is usually profit.
10. Identifying market sizes growth and trends.



- II. The provision of good quality products to meet customer demand - at the right price - available at the right time - and providing a reasonable/good profit return to the supplier/manufacturer. To such products must be added a proportion which are designed to innovate new methods/techniques. In other words, products to develop for the next generation of sales
- I2. Using the assets, skills etc. of the company to achieve maximum profitability and create a sound base and market growth in the areas of business, to achieve these targets.
- I3. What the market products are, both existing and potential, what the company position is in relation to the market, and the way in which the company sales are to be promoted in order to realise the maximum profit for the company.
- I4. The co-ordination of all activities involved in the profitable operation of existing products, and the launching of new products to cover researched gaps in the market.
- I5. Supplying the needs of our chosen market in order to maximize our share and maintain our budgeted percentage of profit.
- I6. Full scale of selling from wholesale accounts down to small shopkeepers.
- I7. Defining a product demand and then obtaining a product to fulfil that demand profitably.
- I8. Getting the right product to the right place at the right time at the right price, at the tight profit.
- I9. Sales and distribution.
- I20. Determining a customers requirement and meeting that requirement.

21. Good business practice

22. Essentially the planning of capacity sales level and price, to achieve most satisfactory profit and growth situation.

23. Exploration of possible outlets for existing products.

Exploration of possible outlets for future products.

Study of economic distribution etc.

24. Knowing your customers and making sure that non can supply the right product at the right price worthly.

APPENDIX IV  
COMPANIES INCLUDING  
IN THE CHEMICAL INDUSTRY

The Chemical Industry according to the Department of Trade and Industry Standard Industrial Classification, (No. 27I-279) includes the following companies:

I. General Chemicals:

- a. Inorganic chemicals (including inorganic gasses)
- b. Organic chemicals (including organic gasses)
- c. Other chemicals

2. Pharmaceutical Chemicals and Preparations.

3. Toilet Preparations.

4. Paint.

5. Soap and Detergents.

6. Synthetic Resins and Plastic materials and Synthetic Rubber.

7. Dyestuffs and Pigments.

8. Fertilizers.

9. Polishes.

10. Formulated Adhesives.

11. Explosives, Fireworks.

12. Formulated pesticides.

13. Printing ink.

14. Surgical bandages.

15. Photographic Chemical material.

APPENDIX V  
SCALE USED DURING  
THE ANALYSIS

1. Estimation of the present situation
2. Data required for establishing objectives and strategies
3. Strategies adopted

Scale:

- 'Very good' : response to 4 or more questions  
'Good' : response to 3 questions  
'Reasonable' : response to 2 questions  
'Poor' : response to 1 question.

4. Responsibilities of the Chief Marketing Executive

Scale:

- Full responsibility : 2 points  
Shared responsibility : 1 point

- 'Very good' : 7 full 17 - 20 points  
'Good' : 5-6 full 14 - 16 points  
'Reasonable' : 3-4 full 12 - 14 points  
'Poor' : 2 full 0 - 12 points

5. Attitudes towards marketing statements

Scale for statements 1, 2, 3, 4, 6, 7.

- Strongly agree : 1 point  
Agree : 2 points  
Undecided : 3 points  
Disagree : 4 points  
Strongly disagree : 5 points

Scale for statement 5

Strongly agree : 5 points  
Agree : 4 points  
Undecided : 3 points  
Disagree : 2 points  
Strongly disagree : 1 point

'Very good' : 30 - 35 points  
'Good' : 25 - 30 points  
'Reasonable' : 20 - 25 points  
'Poor' : 0 - 20 points

APPENDIX VI

RELATIONS EXAMINED BY

CHI SQUARE ANALYSIS



CHI SQUARE TESTS

I. Estimation of the/ Data required for establishing present situation objectives and strategies

a) Medium and Large companies.

	Very good & Good	Reasonable & Poor	
Very good & Good	I2	I	I3
Reasonable & Poor	0	I	I
	I2	2	I4

$$x^2 = \frac{I4 (I2-0)^2}{I3 \times I \times 2 \times I2} = \frac{2,0I6}{3I2} = 6.46 \quad P = \text{significant}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Very good & Good	7	2	9
Reasonable & Poor	I	7	8
	8	9	I7

$$x^2 = \frac{I7 (49-2)^2}{8^2 \times 9^2} = \frac{37,553}{5, I84} = 7.24 \quad P = \text{significant}$$

2. Estimation of the / Strategies adopted present situation

a) Medium and Large companies

	Very Good & Good	Reasonable & Poor	
Very Good & Good	I2	I	I3
Reasonable & Poor	0	I	I
	I2	2	I4

$$X^2 = \frac{I4 (I2-0)^2}{I3 \times I \times 2 \times I2} = \frac{2,016}{3I2} = 6.46 \quad P = \text{significante}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Very good & Good	8	2	IO
Reasonable & Poor	0	7	7
	8	IO	I7

$$X^2 = \frac{I7 (56)^2}{IO \times 7 \times IO \times 8} = \frac{53,312}{5,600} = 9.52 \quad P = \text{significante}$$

3. Data required for establishment / Strategies adopted objectives and strategies

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Very good & Good	II	I	I2
Reasonable & Poor	I	I	2
	I2	2	I4

$$x^2 = \frac{I4 (II-I)^2}{I2^2 \times 2^2} = \frac{I,400}{576} = 2.43 \quad P = \text{significant}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Very good & Good	9	I	IO
Reasonable & Poor	0	7	7
	9	8	I7

$$x^2 = \frac{I7 (63-0)^2}{IO \times 7 \times 8 \times 9} = \frac{67,473}{5,040} = 13.38 \quad P = \text{significant}$$

4. Responsibilities of the Chief Marketing Executive / Status of the Chief Marketing Executive

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Higher & Equal	4	8	12
Lower	0	2	2
	4	10	14

$$x^2 = \frac{14 (8-0)^2}{12 \times 2 \times 10 \times 4} = \frac{896}{960} = 0.93 \quad P = n.s.$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Higher & Equal	9	5	14
Lower	0	2	2
	9	7	16

$$x^2 = \frac{16 (18-0)^2}{14 \times 2 \times 7 \times 9} = \frac{5,184}{1,764} = 2.93 \quad P = \text{significant}$$

5. Responsibilities of the Chief Marketing Executive / Attitudes expressed towards marketing statements

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Very good & Good	3	8	11
Reasonable & Poor	1	2	3
	4	10	14

$$x^2 = \frac{14 (6-8)^2}{11 \times 3 \times 10 \times 4} = \frac{56}{1320} = 0.04 \quad P = \text{n.s.}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Very good & Good	6	2	8
Reasonable & Poor	3	6	9
	9	8	17

$$x^2 = \frac{17 (36-6)^2}{8^2 \times 9^2} = \frac{1,700}{576} = 2.95 \quad P = \text{significant}$$

6. Attitudes expressed toward/ Marketing definition marketing statements

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Very good & Good	4	1	5
Reasonable & Poor	5	0	5
	9	1	10

$$\chi^2 = \frac{10 (0-5)^2}{5 \times 5 \times 9 \times 1} = \frac{250}{225} = 1.1 \quad P = n.s.$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Very good & Good	3	2	5
Reasonable & Poor	3	5	8
	6	7	13

$$\chi^2 = \frac{13 (15-6)^2}{5 \times 8 \times 7 \times 6} = \frac{1,053}{1,680} = 0.63 \quad P = n.s.$$

7. Existence of written / Estimation of the present marketing plan situation

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Yes	10	2	12
No	0	2	2
	10	4	14

$$x^2 = \frac{14 (20-0)^2}{12 \times 2 \times 4 \times 10} = \frac{5,600}{960} = 5.83 \quad P = \text{significant'}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Yes	7	2	9
No	1	7	8
	8	9	17

$$x^2 = \frac{17 (49-2)^2}{9^2 \times 8^2} = \frac{37,553}{5,184} = 7.24 \quad P = \text{significant.}$$

8. Existence of marketing / Data required for establishing plan objectives and strategies

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Yes	II	I	I2
No	I	I	2
	I2	2	I4

$$x^2 = \frac{I4 (II-I)^2}{I2^2 \times 2^2} = \frac{I,400}{576} = 2.43 \quad P = \text{significant}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Yes	7	I	8
No	2	7	9
	9	8	I7

$$x^2 = \frac{I7 (49-2)^2}{8^2 \times 9^2} = \frac{37,553}{5,184} = 7.24 \quad P = \text{significant}$$



9. Existence of written / Strategies adopted marketing plan

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Yes	10	1	11
No	1	1	2
	11	2	13

$$x^2 = \frac{13 (10-1)^2}{11^2 \times 2^2} = \frac{1,053}{484} = 2,17 \quad P = \text{significant}$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Yes	7	1	8
No	3	6	9
	10	7	17

$$x^2 = \frac{17 (42-3)^2}{8 \times 9 \times 7 \times 10} = \frac{25,857}{5,040} = 5,13 \quad P = \text{significant}$$

10. Existence of written / Attitudes expressed towards  
marketing plan marketing statements

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Yes	9	3	12
No	2	0	2
	11	3	14

$$X^2 = \frac{14 (0-3)^2}{12 \times 2 \times 3 \times 11} = \frac{126}{792} = 0,15 \quad P = n.s.$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Yes	6	2	8
No	2	7	9
	8	9	17

$$X^2 = \frac{17 (4-2)^2}{8^2 \times 9^2} = \frac{24,548}{5,184} = 4,73 \quad P = \text{significant}$$

II. Existence of written / Marketing definition marketing plan

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Yes	6	5	11
No	1	1	2
	7	6	13

$$x^2 = \frac{13 \cdot (6-5)^2}{11 \times 2 \times 6 \times 7} = \frac{13}{924} = 0.014 \quad P = n.s.$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Yes	4	2	6
No	2	5	7
	6	7	13

$$x^2 = \frac{13 \cdot (20-4)^2}{6^2 \times 7^2} = \frac{3,328}{1,764} = 1.88 \quad P = n.s.$$

I2. Existence of written / Size of company marketing plan

All the companies

	Large & Medium	Small	
Yes	I2	8	20
No	2	9	II
	I4	I7	3I

$$X^2 = \frac{3I (I2 \times 9 - 2 \times 8)^2}{20 \times II \times I7 \times I4} = \frac{262,384}{52,360} = 5.0I \quad P = \text{significant}$$

I3. Attitudes expressed towards / Size of company marketing statements

All the companies

	Large & Medium	Small	
Very good & Good	II	8	I9
Reasonable & Poor	3	9	I2
	I4	I7	3I

$$X^2 = \frac{3I (99 - 24)^2}{I9 \times I2 \times I7 \times I4} = \frac{I74,375}{54,264} = 3.2I \quad P = \text{significant}$$

I4. Attitudes expressed towards / Status of the Chief Marketing  
marketing statemnts Executive

a) Large and Medium companies

	Very good & Good	Reasonable & Poor	
Higher & Equal	I0	2	I2
Lower	I	I	2
	II	3	I4

$$x^2 = \frac{I4 (I0-2)^2}{I2 \times 2 \times 3 \times II} = \frac{896}{792} = I.I3 \quad P = n.s.$$

b) Small companies

	Very good & Good	Reasonable & Poor	
Higher & Equal	9	6	I5
Lower	0	2	2
	9	8	I7

$$x^2 = \frac{I7 (I8-0)^2}{I5 \times 2 \times 8 \times 9} = \frac{5,508}{2,160} = 2.55 \quad P = \text{significant}$$

APPENDIX VII  
RESPONSES TO MARKETING STATEMENTS  
BY MARKETING EXECUTIVES

Table I Attitudes to the statement: "The marketing man's job is simply to sell what the works produce"

	Present data	Hayhurst & Wills	Mann
Response to statement	%	%	%
Strongly agree	-	I	I8
Agree	IO	8	45
Undecided	-	I	6
Disagree	39	3I	23
Strongly disagree	45	55	8
No response	6	4	-

Table 2 Attitudes to the statement: "A well made product will sell itself"

	Present data	Hayhurst & Wills	Mann
Response to statement	%	%	%
Strongly agree	3	I	3
Agree	23	IO	34
Undecided	7	2	3
Disagree	32	6I	53
Strongly disagree	32	23	7
No response	3	4	-

Table 3 Attitudes to the statement: "Further increases in profitability will be attained mainly by more efficient production"

	Present data	Hayhurst & Wills	Mann
Response to statement	%	%	%
Strongly agree	10	4	34
Agree	29	30	51
Undecided	16	7	5
Disagree	22	41	10
Strongly disagree	22	12	1
No response	-	6	-

Table 4 Attitudes to the statement: "Our main task is to increase sales volume. Profits will follow naturally"

	Present data	Hayhurst & Wills
Response to statement	%	%
Strongly agree	7	3
Agree	16	14
Undecided	3	4
Disagree	32	43
Strongly disagree	42	33
No response	-	3



Table 5 Attitudes to the statement: "Diversification policies should build on existing company resources"

	Present data	Hayhurst & Wills
Response to the statement	%	%
Strongly agree	6	5
Agree	74	57
Undecided	3	13
Disagree	6	17
Strongly disagree	-	2
No response	10	6

Table 6 Attitudes to the statement: "Provided we succeed in selling a planned level of production, we should not be too concerned with trends in the total market"

	Present data	Hayhurst & Wills
Response to the statement	%	%
Strongly agree	3	-
Agree	3	4
Undecided	-	3
Disagree	61	55
Strongly disagree	26	34
No response	7	4

Table 7 Attitudes to the statement: "In our type of business we know the market too well to need marketing research"

	Present data	Hayhurst & Wills
Response to the statement	%	%
Strongly agree	6	-
Agree	10	8
Undecided	10	7
Disagree	55	52
Strongly disagree	13	29
No response	6	4