

Marketing

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THE IDEA THAT WENT GLOBAL

By Eric Blais

***The Marketing Imagination* BY THEODORE LEVITT (The Free Press, 1983)**

This book belongs on my list of the 10 must-read books for marketers because it contains some of the most influential articles on marketing ever written. The *Marketing Imagination* is a “best of” compilation of Theodore Levitt’s landmark articles published in the Harvard Business Review since 1960.

Many of these articles caused a minor sensation when they were first published. Take “*Marketing Myopia*” for example. While customer-centricity is the subject of countless articles and presentations today, the notion that an organization must learn to think of itself not as producing goods or services but as doing the things that will make people want to do business with it was rather provocative at the time.

In another article entitled “*Differentiation – of Anything*” published in 1980, Levitt claimed that even commodities which seem to differ only in price can be differentiated. Products almost always combine a tangible entity with an intangible promise of user satisfaction.

In “*Marketing Intangible Products and Product Intangibles*” published a year later, Levitt argued that rather than distinguishing between the marketing of services or goods, it is more useful to identify companies according to whether they sell intangibles such as travel or tangibles such as automobiles. Those who sell tangibles tend to emphasize intangible benefits such as status. Yet it is those selling intangibles that are faced with the greater challenge because of their “people-intensive production and delivery” which increases the chances for personal discretion and error. This last point has led many service organizations (sorry, organizations selling intangibles) to strive to better understand, and manage, customer touch points.

Few would argue that the legendary professor’s most provocative and debated article was “*The Globalization of Markets*” published in 1983. Levitt boldly claimed that “The world’s needs and desires have been irrevocably homogenized. This makes the multinational corporation obsolete and the global corporation absolute.” Not only did he coin a new term with “globalization”, he challenged organizations to end the customization of their products to fit local markets and instead become global by standardizing their offerings. Sameness leads to efficiency and greater profitability.

Twenty years after it was first published, the Harvard Business School held a conference to debate Levitt’s ideas. While all participants praised Levitt as a “marketing guru”, some pointed to his misjudgment regarding how globalization would evolve. Martin Sorrell, CEO of WPP Group and a Harvard MBA’68 had this to say: “Levitt wrote that ‘instead of adapting to superficial and even entrenched differences within and between nations, it [the global corporation] will seek sensibly to force suitably standardized products on the entire globe’. According to Sorrell, this notion ignores that “the consumer is in control. There will continue to be substantial and enduring differences around the world in what and how consumers consume.” Sorrell went further: “Globalization today is far less about leveraging economies of scale than it is about leveraging economies of expertise and knowledge”. So let global agency networks create locally based on global expertise and knowledge.

The fact that the complexities of Levitt’s ideas about globalization are still debated by marketing practitioners and academics twenty years later proves that *The Marketing Imagination* remains very relevant.

ERIC BLAIS, PRESIDENT OF CONSULTANCY HEADSPACE MARKETING, WRITES MONTHLY ON THE 10 MUST-READ BOOKS FOR MARKETERS