

November 1999



What is Marketing?*

by
Max E. Brunk

This piece is the first in a new series of “Smart Marketing” articles published by faculty in the Department of Agricultural, Resource, and Managerial Economics at Cornell University. We want to commemorate the contribution that Professor Max Brunk made towards a better understanding of marketing food and agricultural products. When Max passed away this year, we lost an exceptional teacher who taught a lot of us about what marketing is.

Many of our most outstanding farm leaders hold to a philosophy of marketing expressed in the early writings of Plato, who describes marketers in this way: “Their business is to remain on the spot in the market, and give money for goods to those who want to sell, and goods for money to those who want to buy ... these in well-regulated states are, generally speaking, persons of excessive physical weakness, who are of no use in other kinds of labor.” Plato, the strict materialist, visualized marketing as little more than a necessary evil — as nothing more than the process of negotiating exchange. In marketing he saw no value added and, consequently, no basis for profit. Selling and marketing were synonymous and so it remains in much of our thinking today.

The views of Aristotle are also revealing. They can be heard at almost any meeting of farmers because he regarded marketers as “useless profiteering parasites” and he condemned marketing as “unnatural,

mercenary, exploitative and corrupting.” It would seem that we still have among us many disciples of the Greek philosophers, many who, in their drive to increase production, have not had the urge to learn what marketing is all about or what it can do for them.

Contrary to popular opinion among farmers, markets are not a right. No one individual, no one industry, owns a franchise on the market. You have to work and scheme and sweat to produce the raw products of agriculture, but that does not give you the right to a market. To get that right you also have to work and scheme and sweat to create markets, to take markets away from someone else, to keep someone else from taking your market.

This has been true in the past and it will continue to be true. The size and strength of your market is nothing more and nothing less than what you choose to make it. Success in this respect depends on your ability to anticipate the wants of buyers, packers, processors and consumers for both product and services — to anticipate your competitors’ actions and to play the game within the rules prescribed by government.

Accordingly, we must understand that marketing is the creation of utility, the creation of both product and service values. Marketing and selling are not synonymous. To sell means to get rid of — to transfer ownership. Anybody can do that.

On the other hand, to market means to create value — to perform a service for which someone is willing to pay — to perform a service on which a profit can be made. When we regard marketing as only a selling function, we forego the profit opportunities marketing offers. Marketing *is*, and always should be, a production function.

Marketing calls on the highest of creative skills. Food marketing is but the simple process of adding some value to some raw material. Consumers use few foods as found in their natural state. The job of the marketer is to add effective consumer appeals to raw commodities so they are competitively attractive in the marketplace.

Far too many in our society have accepted the false doctrine that marketing is only a cost. Very much to our disadvantage, we have come to believe that the increased expenditures for producing marketing services are borne, unjustifiably, by producers of farm commodities and/or by the ultimate consumer. Based on this belief we have assumed reducing marketing costs will, per se, benefit either producers or consumers. This is spurious economic doctrine that totally fails to distinguish between the costs incurred and the values added.

The difference we are seeking here is the contrast of expenditure with the values created. Costs are involved in both production and marketing. If the values produced are greater than the costs, in either case,

the costs have been appropriately justified. And who does, who should, evaluate the ratio of the one to the other?

People want and can eat just so much food. When this basic need is met they begin to search for better qualities and more services— marketing services. And it is well to remember that those marketing services called trivia today will tomorrow be the necessities of a population having a standard of living far surpassing that which we now enjoy. If indeed marketing is a cost, then we can only reach one conclusion. Marketing does not cost enough!

We need also recognize that much of the value of any product lies not in the product itself but rather in the invisible bundle of services wrapped around it. Those who perform such services are creators of an economic good every bit as much as those who produce a physical product.

* Extracted from Brunk, M. E., "What is Marketing," *American Cooperation 1983*. American Institute of Cooperation, Washington, DC.

"Share the gift of communication." Please cite or acknowledge when using this material.
Supplied by ARME/CU/Brian Henehan and Wen-fei Uva

For more information, contact Wen-fei L. Uva, Senior Extension Associate, Horticultural
Product Marketing, Department of Agricultural, Resource, and Managerial Economics,
Cornell University