The New Marketing Myopia

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During the past half century, in general, marketers have heeded Levitt's (1960) advice to avoid "marketing myopia" by focusing on customers. In this article, the authors argue that marketers have learned this lesson too well, resulting today in a new form of marketing myopia, which also causes distortions in strategic vision and can lead to business failure. This "new marketing myopia" stems from three related phenomena: (1) a single-minded focus on the customer to the exclusion of other stakeholders, (2) an overly narrow definition of the customer and his or her needs, and (3) a failure to recognize the changed societal context of business that necessitates addressing multiple stakeholders. The authors illustrate these phenomena and then offer a vision of marketing management as an activity that engages multiple stakeholders in value creation, suggesting that marketing can bring a particular expertise to bear. They offer five propositions for practice that will help marketers correct the myopia: (1) map the company's stakeholders, (2) determine stakeholder salience, (3) research stakeholder issues and expectations and measure impact, (4) engage with stakeholders, and (5) embed a stakeholder orientation. The authors conclude by noting the implications for research.

Keywords: marketing myopia, stakeholders, corporate social responsibility, marketing and society, marketing strategy

Fifty years ago, Ted Levitt (1960) exhorted marketers to correct their "marketing myopia." The shortsightedness that distorted their strategic vision caused them to define their businesses narrowly in terms of products rather than broadly in terms of customer needs. The term entered the vernacular of managers and the pages of textbooks, and when *Harvard Business Review* reprinted the article in 2004, it designated marketing myopia as the most influential marketing idea of the past half century. No doubt, today's marketers do a much better job of focusing on customer needs. However, we argue that they have learned the lesson of customer orientation so well that they have fallen prey to a new form of marketing myopia that, in today's business environment, can also cause serious distortions of strategic vision and the possibility of business failure, or at least exacerbate the marginalization of the marketing function.

The "new marketing myopia" occurs when marketers fail to see the broader societal context of business decision making, sometimes with disastrous results for their organization and society. It stems from three related phenomena: (1) a single-minded focus on the customer to the exclusion of other stakeholders, (2) an overly narrow definition of the customer and his or her needs, and (3) a failure to recognize the changed societal context of business that necessitates addressing multiple stakeholders. This article examines how the new marketing myopia manifests and illustrates its strategic implications and consequences. We then identify a vision for marketing management as an activity that engages multiple stakeholders in value creation and offer propositions for practice to help marketers overcome their myopia.

Why the New Marketing Myopia?

Marketers suffering from the new marketing myopia view the customer only as a "consumer"—a commercial entity seeking to satisfy short-term, material needs through consumption behaviors. The customer is not viewed as a citizen, a parent, an employee, a community member, or a member of a global village with a long-term stake in the future of the planet (for a political theory perspective on this point, see Jocz and Quelch 2008). We are arguing for a more sophisticated understanding of consumption that takes into consideration a wider set of stakeholders who are concerned about a company's social and environmental impacts and recognizes that customers also wear some of those other stakeholder hats.

These stakeholders and the societal forces they represent have profoundly changed the business context and business decision making in recent years (Freeman, Harrison, and Wicks 2007; Porter and Kramer 2006). Although they are often excluded from the marketer's analysis, they clearly warrant close attention. As Ian Davis (2005, p. 69), Worldwide Managing Director at McKinsey & Company, observed, "Companies that treat social issues as either irritating distractions or simply unjustified vehicles for attacks

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on business are turning a blind eye to impending forces that have the potential to alter the strategic future in fundamental ways." Marketers must understand the firm's deeply embedded position in society and shift from a narrow focus on customers to a stakeholder orientation if they and their firms are to prosper and grow in today's more complex and unpredictable business environment.

Attention to stakeholders beyond the consumer often means engaging with groups that managers sometimes view as adversaries, such as activists, scientists, politicians, and the local community (Spar and La Mure 2003; Yaziji 2004). Collaborating with these stakeholders provides many benefits, including potentially helping marketers develop foresight regarding the markets of the future and providing the impetus for innovation. Consider two topical examples: the obesity crisis and the plight of the U.S. auto industry.

For generations, food manufacturers and fast-food retailers catering to children have focused only on satisfying the short-term appetites of young consumers with little thought to their longer-term well-being. These firms seem insensitive to their role in shaping the habits and appetites of children. They have excluded the opinions of other important stakeholders who are concerned about health and nutrition, including parents. As Paine (1992) notes, marketers often seem to be pitting children against parents, especially with advertising. Belatedly, food marketers have placed some restrictions on their marketing to children, but only after a concerted attack. What if they had led the way by recognizing the long-term needs of their customers and collaborating with, rather than resisting, the myriad stakeholders who were championing healthful eating? Food manufacturers and retailers should not shoulder the full blame for the obesity crisis. However, just because other factors have also contributed to the problem does not lessen the responsibility of food companies for the part they have played.

Likewise, with their narrow reading of consumers' preferences, the Big Three U.S. automobile manufacturers have largely ignored admonitions from scientists, environmentalists, politicians, and journalists to attend to the problems posed by oil and to develop the potential of alternative energy sources. They have held fast to their long-time emphasis on large, gas-guzzling cars, trucks, and sport-utility vehicles (SUVs), which have become a symbol of the United States' blatant disregard for energy consumption. Lured by large margins on big vehicles, they catered to only one component of consumer preference and ignored the need for cleaner and more fuel-efficient vehicles.

In contrast, consider the Japanese car manufacturers Honda and Toyota. Honda launched its first low-emission, fuel-efficient vehicle in 1974 and consistently improved the fuel efficiency of its cars during the 1970s and 1980s (ICFAI Center for Management Research 2007). In 1998, it unveiled the world's first hybrid car, and in 2002, it became the first manufacturer to have fuel cell cars certified by the U.S. government for commercial use. Toyota's energy-efficient offerings have followed suit, and its Prius hybrid has sold more than one million units worldwide (Engardio 2007). Today, U.S. manufacturers lament the changing consumer preferences that are forcing them to close their truck and SUV plants and take other drastic measures to survive (Mohr 2008). In an advertisement published in *Automotive News* in December 2008 as part of an effort to secure the billions of dollars in federal funding it needed to survive, General Motors admitted that it had "disappointed" if not "betrayed" consumers (Krolicki 2008). The government aid likely will require U.S. manufacturers to produce much greener cars and trucks. Multiple factors explain the demise of the U.S. automobile industry, but its prospects certainly have not been helped by its failure to collaborate with stakeholders in creating energy-efficient vehicles.

There are many other examples of the new marketing myopia. Consider, for example, Nike's failure in the 1990s to respond to workplace abuses in the factories of its suppliers, which resulted in worldwide protests and boycotts, or Monsanto's blatant disregard of public opinion about genetically modified food, which was a major contributing factor in its merger with Pharmacia (Smith 2007). Suffice it to say that when marketers give insufficient attention to stakeholders, they do so at great peril; their customers, their companies, and society at-large likely will be adversely affected.

Marketing and Stakeholder Management

New definitions of marketing are emerging that suggest a role for stakeholder management in marketing, though discussion of these definitions also speaks to the myopia found in practice. The 2004 American Marketing Association (AMA) definition made specific reference to stakeholders but was criticized for defining marketing from the perspective of marketing management and ignoring marketing's societal impact (Gundlach 2007).[1] Nonetheless, Sheth and Uslay (2007, p. 303) welcomed its departure from the exchange paradigm in favor of value creation because they believed that the former had resulted in "a single-minded focus on the role of customers," whereas "multiple stakeholders are involved,… and value cannot be created in isolation of the stakeholders." Lusch (2007, p. 266) also noted that "more attention to stakeholder theory must be central to marketing scholarship."

The current 2007 AMA definition, replacing the 2004 definition, does not make explicit reference to stakeholders but refers to marketing as an activity involving the exchange of "offerings that have value for customers, clients, partners, and society at large."[2] Like its predecessors, this definition is oriented toward the practice of marketing management, reflecting the process used to develop it and the interests of most AMA members (Ringold and Weitz 2007). Perhaps for this reason, it treats marketing's stakeholders as mere beneficiaries of marketing rather than as stakeholders, as they are traditionally defined—anyone who is affected by or can affect what a company does

[1]The 2004 AMA definition read as follows: "Marketing is an organizational function and set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (Gundlach 2007, p. 243).

[2]The 2007 definition reads as follows: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (see http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx).

(Freeman 1984)—or, for that matter, as partners in value creation (Lusch 2007).[3]

It is beyond the scope of this article to tackle all the perceived shortcomings of the AMA definitions of marketing (see the *JPP&M* special issue on the topic [2007, Vol. 26, Fall]). However, it is apparent from the foregoing discussion of the new marketing myopia that a more appropriate definition of marketing management alone (i.e., as a description of effective marketing practice) should include recognition of the role of multiple stakeholders in determining value creation. It is this vision that informs our subsequent prescriptions for more effective—and socially responsible—marketing practice.

Stakeholder management is not a new idea. It is well established within the business and society field, though in general, this literature does not address how marketing specifically can be informed by attention to stakeholders. In a recent account of the history of corporate social responsibility (CSR), Carroll (2008), while acknowledging its earlier roots, suggests that CSR is mostly a product of the twentieth century that began to take shape in the 1950s. At that time, according to Carroll (citing Frederick 2006), managers were expected to balance competing claims to corporate resources—thus prefiguring the idea of stakeholder management. Although the origins of stakeholder theory go back much further (Freeman, Harrison, and Wicks 2007), in general, it is found to have its first formal expression in Freeman's (1984) book, *Strategic Management: A Stakeholder Approach*.

There have been many contributions to stakeholder theory since then (for a review, see Mele 2008; Phillips 2003), including some from critics, such as Jensen (2002) and Sundaram and Inkpen (2004). For our purposes, suffice it to say that absent from consideration in much marketing practice—and research—is the idea at the heart of stakeholder theory, namely, that companies have stakeholders who are affected by or can affect what a company does. While some stakeholder theorists make a normative claim about company obligations to stakeholders (e.g., Evan and Freeman 1988), others treat the idea simply as a description of a business and managerial reality (e.g., Mitchell, Agle, and Wood 1997). In this article, our purpose is to urge greater attention to this business reality within marketing practice, as a way of escaping the new marketing myopia. As we suggest, the need to do so has become increasingly evident.

The new marketing myopia also can be found in marketing research. Largely absent from the marketing literature is attention to the multiple stakeholders who serve in practice as constraints on marketing strategies, as well as sources of opportunity for firm and societal value creation. There have always been streams of research in marketing that acknowledge marketing's social aspects, not least in the broadly defined marketing and society literature (for an overview, see Bloom and Gundlach 2001). However, much of this literature has focused on public policy, particularly as it relates to consumer protection. There is attention to company stakeholders, but it is one step removed and mediated through government, the law, and related regulatory mechanisms. Attention has been given to topics such as social marketing, cause-related marketing, and ethical consumerism, but even in these areas, there has been little focus on the requirement that the firm consider multiple stakeholders beyond the consumer. Moreover, marketing and society is not believed to be at the core of marketing thought (Wilkie and Moore 2003).

Not long after Levitt's (1960) seminal article, the marketing literature included acknowledgments of the relevance of social responsibility to marketing and attention to questions of the role of business in society (e.g., Andreasen 1975; Lavidge 1970; Patterson 1966; for a critique of CSR, see Levitt 1958). Subsequent attention was sporadic, but research on CSR and marketing has increased substantially in the last few years (e.g., Berger, Cunningham, and Drumwright 2007; Bhattacharya, Smith, and Vogel 2004; Ellen, Webb, and Mohr 2006; Klein and Dawar 2004; Maignan and Ferrell 2004; Maignan, Ferrell, and Ferrell 2004; Sen and Bhattacharya 2001; Smith 2008). It has been encouraged in part by Aspen Institute and Marketing Science Institute–sponsored conferences, such as the 2007 Stakeholder Marketing Consortium. Nonetheless, there remains a paucity of marketing research on the implications of multiple stakeholders for the marketing function and, more generally, for the firm.[4]

Propositions for Marketing Practice

How can marketers avoid the new marketing myopia? We have identified a vision for marketing as a practice that involves proactively incorporating stakeholders beyond the customer in creating value for the firm and for society. We do not suggest that customers are unimportant—they remain a central consideration—but it is necessary to recognize that there are other stakeholders who also require marketing's attention. For business-to-consumer companies, these other stakeholders (e.g., employees) are sometimes customers too, but they need not be (e.g., nontarget market

[3]A stakeholder is any group or individual who "can affect or is affected by the achievement of the organization's objectives" (Freeman 1984, p. 46; refined to refer to the "achievement of the corporation's purpose" in Freeman, Harrison, and Wicks 2007, p. 6). For a chronology of stakeholder definitions, see Mitchell, Agle, and Wood (1997).

[4]As one indicator, a search in January 2009 on EBSCO-hosted Business Source Complete using the term "stakeholder" yielded eight articles in *Journal of Marketing*, one article in *Journal of Consumer Research*, and no articles in *Journal of Marketing Research*, the 20-year history of the concept within the management literature notwithstanding. This is not to say that other articles did not mention stakeholders; these are the only articles for which stakeholders were sufficiently salient to warrant a mention in the article abstract (a search of the three journals with "stakeholder" as the subject term revealed only two articles, both in *Journal of Marketing*, whereas the same search of the entire database generated 1959 peer-reviewed articles; 7221 peer-reviewed articles in the database included "stakeholder" in the abstract). Almost all the articles identified made only passing mentions to stakeholders, a notable exception being Rao, Chandy, and Prabhu (2008). More encouragingly, ten articles were identified in a *Journal of Public Policy & Marketing* search, with a majority of these articles giving substantial attention to stakeholders as relevant to marketing, such as two that examined pharmaceutical marketing and the HIV epidemic (Calfee and Bate 2004; Kennedy, Harris, and Lord 2004), though only two articles were identified in a *Journal of Public Policy & Marketing* search using "stakeholder" as the subject term (Bhattacharya and Korschun 2008; Calfee and Bate 2004).

members of the firm's local community). Marketers are often viewed as boundary spanners, operating at the interface between the corporation and its customers, competitors, and channel intermediaries (Dunfee, Smith, and Ross 1999; Singh 1993). Incorporating multiple stakeholders into marketing suggests expanding the boundary-spanning role to include a wider range of interested constituencies. We offer five propositions that build on the stakeholder management literature and the limited research to date on stakeholders in marketing (notably, Bhattacharya and Korschun 2008; Maignan and Ferrell 2004; Maignan, Ferrell, and Ferrell 2004; Sirgy 2008).

Proposition 1: Map the Company's Stakeholders

The starting point is for marketers to map the company's stakeholders (Freeman, Harrison, and Wicks 2007; Krick et al. 2005). There may be specific departments in the organization with primary responsibility for certain stakeholder groups (e.g., investor relations, human resources). However, we suggest that, at a minimum, marketing needs to be strategically cognizant of all the firm's primary stakeholders (customers, employees, suppliers, shareholders, and communities) and its key secondary stakeholders (typically, media, government, consumer advocacy groups, competitors, and certain nongovernmental organizations [NGOs]), as well as the interactions between them. Consider, for example, an electric automobile manufacturer (e.g., Th!nk, Tesla) with overlapping and interconnected stakeholders in its customers, employees, investors, suppliers, government, media, and environmental NGOs—united by a common interest in reducing climate change.

In some circumstances, it may fall to marketing to have the strategic oversight of all salient stakeholders in the set. This is more likely when the organization is marketing led and when there are many interrelationships between customers and other stakeholders. In light of our previous discussion of obesity, illustrative in this regard is Kraft Foods' decision in 2003 to establish its Global Advisory Council, an interdisciplinary group of experts on behavior, nutrition, health, and communication who were assembled to guide the firm's response to the growing national furor about obesity. This initiative was led by Kraft Foods' co–chief executive officers (co-CEOs) at the time, Betsy Holden and Roger K. Deromedi, both of whom came from a marketing background. As Deromedi observed, "As part of our commitment to ongoing stakeholder dialogue, we welcome the council's knowledge, insight and judgment, all of which will help us strengthen the alignment of our products and marketing practices with societal needs."[5]

Stakeholder mapping is more difficult than it might at first appear. Stakeholders must be identified beyond generic categories—as real people with names and faces (McVea and Freeman 2005). Companies must also identify the salient stakeholders—those particularly deserving of management's attention—and their interconnections.

[5]See http://findarticles.com/p/articles/mi_m0EIN/is_/ai_107214470 (accessed January 29, 2009).

Proposition 2: Determine Stakeholder Salience—Who Counts?

Mitchell, Agle, and Wood (1997, p. 853) propose a managerial approach to stakeholder salience—or "who or what really counts." They suggest that the degree to which managers give priority to competing stakeholder claims reflects stakeholder power, legitimacy, and/or urgency. According to Mitchell, Agle, and Wood, "a party to a relationship has power, to the extent it has or can gain access to coercive, utilitarian, or normative means, to impose its will in the relationship" (p. 865) with the company, though the authors add that this stakeholder power may only be transitory. The interconnections between stakeholders may well give rise to increased power—albeit potentially transitory—as, for example, when consumers lend support to NGO calls for a boycott (Klein, Smith, and John 2004). Observing that power and legitimacy together create authority, Mitchell, Agle, and Wood use Suchman's (1995, p. 574) definition of legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 866). They define urgency as the degree to which stakeholder claims call for immediate attention.

Mitchell, Agle, and Wood (1997, p. 855) claim that they "do not argue that managers should pay attention to this or that class of stakeholders.... [They] argue that to achieve certain ends, or because of perceptual factors, managers do pay certain kinds of attention to certain kinds of stakeholders." Yet, while this asserts a descriptive account, it also may be treated as a normative account, at least relative to a traditional theory of the firm perspective (Donaldson and Preston 1995). As a prescription, their stakeholder salience attributes may serve well for managers acting consistent with shareholder primacy (and, in this respect, stakeholder theory is acceptable to critics such as Jensen [2002]).

To the extent that we are writing for marketing managers operating from a shareholder primacy perspective, stakeholder power, legitimacy, and urgency may well be the key considerations in determining which stakeholders warrant attention and how to prioritize among stakeholder groups. In addition, we anticipate that marketing managers specifically would give particular attention to stakeholders who include or are especially influential or relevant in regard to customers.

Some stakeholder theorists posit a different view of stakeholder salience. It could be the case that some stakeholders lack power or legitimacy. Consider, for example, the developing-country farmers who provide the produce sourced by the large multinational food companies. Do they deserve to be heard? It is possible that stakeholders lacking power may become more powerful in the future, especially if the public or regulators become concerned about their issues. Equally, company values may dictate attention to a stakeholder group absent any perceived threat (Maignan and Ferrell 2004). A normative ethics perspective (Donaldson and Preston 1995; Dunfee, Smith, and Ross 1999) might indicate a prioritization of stakeholders markedly different from a managerial view dictated primarily by a desire to mitigate the company's downside risk.

Consider, for example, AARP (formerly the American Association of Retired Persons), which states that its mission is "to enhance the quality of life for all as we age, leading positive social change and delivering value to members through information, advocacy and service."[6] Consistent with its mission and values, its for-profit subsidiary, AARP Services, makes available "new and better choices" for its members. Thus, AARP Services seeks to fill consumers' needs for health insurance, but at the same time, it does much more to further consumer well-being in combination with its partners (AARP, Walgreens, the Business Roundtable, and the Service Employees International Union). Together, these organizations are attempting to improve the health insurance marketplace, educate consumers about wise use of medicines, and ultimately transform the health care system for the benefit of consumers (Novelli 2007). The AARP provides testament to the value of having a broad and enlightened view of customer satisfaction and giving priority to noncommercial needs of consumers.

Proposition 3: Research Stakeholder Issues and Expectations and Measure Impact

Having mapped and prioritized the salient stakeholders, companies must identify their expectations and issues of concern. This proposition speaks to the particular relevance of marketing's role in stakeholder management. Marketing expertise in marketing research can readily be transferred from research that primarily considers customers to research on a full array of stakeholders, using both primary and secondary data and qualitative and quantitative analysis. In some cases, marketing researchers' methodological skills in investigating sensitive or emotionally charged topics will be especially useful. Consider, for example, research that an oil company might conduct on the expectations of the local community surrounding a petroleum refinery.

Research is a key component of Unilever's integration of social, economic, and environmental impacts into brand innovation. As Patrick Cescau, group CEO, said, "Successful brands of the future will be those that both satisfy the functional needs of consumers and address their concerns as citizens—concerns about the environment and social justice" (Unilever 2007, p. 12). Key to realizing this is Unilever's Brand Imprint Process, a research-led initiative that has been run on more than 15 of Unilever's biggest brands. One of the earliest beneficiaries was its Dove brand (Cescau 2007). The result was the widely lauded Campaign for Real Beauty.[7] Dove, Unilever's largest personal care brand, has as its mission "to make women feel more beautiful every day by challenging today's stereotypical view of beauty and inspiring women to take great care of themselves." Launched in 2004, the Campaign for Real Beauty is described as "a global effort that is intended to serve as a starting point for societal change and act as a catalyst for widening the definition and discussion of beauty." A key vehicle has been "Evolution," a short video seen by tens of millions of people on YouTube (Vranica 2008). It shows how an average-looking woman is transformed by beauty industry techniques, such as airbrushing, into a billboard supermodel and concludes, "No wonder our perception of beauty is distorted." The brand also supports online discussions and the Dove Self-Esteem Fund. As Unilever has illustrated with Dove, stakeholder research can serve as a catalyst for innovation and value creation for the firm as well as for society.

The methodological expertise of marketing research is also especially relevant to the metrics challenges of social impact measurement. Stakeholder issues and expectations translate into social impacts that reflect corporate social performance. Most large companies today report on their social and environmental performance. KPMG's regular survey of social responsibility reporting found that 80% of the G250 (top 250 companies of the Global *Fortune* 500) reported on CSR in 2008, up from 50% in 2005.[8] However, the quality of many of these reports leaves much to be desired. Marketing research methodologies can contribute to company efforts to better measure company social and environmental performance not only as a basis for reporting but also for improving practice when it falls short of expectations (for current approaches, see Epstein 2008).

Research is also required to evaluate the effectiveness of the stakeholder management strategy and its implementation. For example, how do different stakeholders react to the company's CSR practices, and how can marketing approaches, methodologies, and technologies be employed to understand these reactions and to respond creatively to them? How can CSR practices be communicated in a credible manner, and how can skepticism (see Ellen, Webb, and Mohr 2006) be dealt with effectively?

Proposition 4: Engage with Stakeholders

Research with U.S. companies suggests that many that claim to give attention to stakeholders often do so at a distance—they may make efforts to consider the interests of different stakeholders in their decision making; they may even do research on stakeholder expectations, but they do not engage directly with stakeholders (Googins 2008). Freeman, Harrison, and Wicks (2007, p. 60) identify ten "managing for stakeholders" principles, including "intensive communication and dialogue with stakeholders—not just those who are friendly." Again, marketing has a particular expertise to bring to bear. Its success in identifying how to better listen to customers and how to collaborate with customers in strategic initiatives, such as product design, can be used to foster improved two-way communications and collaboration with other primary and secondary stakeholders. Indeed, marketing expertise can lend itself to better understanding of stakeholder needs and, possibly, as Maignan and Ferrell (2004) suggest, the development of stakeholder orientation, extending the practice of market orientation (Kohli and Jaworski 1990). However, as with market orientation, scale development work is required to develop valid and reliable measures of stakeholder orientation.

[6]See http://www.aarp.org/aarp/About_AARP/ (accessed January 30, 2009).

[7]See http://www.campaignforrealbeauty.com/press.asp?id=4562&section=news&target=press.

[8]See https://www.kpmg.com/SiteCollectionDocuments/International-corporate-responsibility-survey-2008.pdf (accessed December 3, 2008).

Consider the example of Monsanto. By its own admission, before 2000, it had failed to take seriously the concerns of stakeholders about the safety of its agricultural biotechnology. Monsanto's customers—farmers and distributors—loved the genetically engineered crops, but other stakeholders had grave concerns, which the company viewed as "nonscientific" and unimportant. The result was a crisis of public confidence incited by activists, who made highly effective use of the Internet. They put pressure on Monsanto's customers, distributors withdrew their support, and the stock price plunged. Monsanto merged with Pharmacia in March 2000, to be spun off a few months later through a partial initial public offering.

Given these problems, Monsanto identified two challenges that it needed to address: (1) to broaden its notion of its stakeholders to include both critics and allies and (2) to bring stakeholder concerns into internal policy and decision making. Monsanto then began to engage stakeholders in dialogue—including its fiercest critics—to understand and better respond to their concerns. Monsanto's scientists received intense training in developing listening skills and were sent out to conduct hundreds of interviews with stakeholders. These data were supplemented by a ten-country tracking study of consumers and opinion leaders and surveys of trade partners. In November 2000, CEO Bob Shapiro announced "the New Monsanto Pledge," based on five principles reflecting stakeholder expectations: dialogue, transparency, respect, sharing, and benefits. Through the years, the stakeholder dialogues and the pledge have continued to affect Monsanto's business strategy in profound ways. For example, under its marketing-led Sustainable Yield Initiative, announced June 2008, Monsanto pledged to double the yield of its three key crops by 2030, reduce by one-third the resources its crops use by 2030, and improve the lives of five million people in resource-poor farm families by 2020.[9] Monsanto has demonstrated that stakeholder engagement can benefit the firm and the world in profoundly positive ways, including some of the least powerful stakeholders.

Proposition 5: Embed a Stakeholder Orientation

Our final proposition is that marketing managers need to ensure that a stakeholder orientation becomes central to day-to-day decision making, rather than a one-off response, perhaps to adverse publicity. The marketing function has long been required to lobby internally on behalf of customers. Avoiding the new marketing myopia suggests that these efforts need to be extended to include other stakeholders. More broadly, this would form part of a mainstreaming of CSR, such that it "is clearly seen to be on the company's agenda in a legitimate, credible, and ongoing manner, and it is incorporated into day-to-day activities in appropriate and relevant ways" (Berger, Cunningham, and Drumwright 2007, p. 133).

The experience of oil company Shell suggests that embedding CSR is not only a process of "hardwiring" through structural responses and formal policies and procedures (e.g., Kraft's Global Advisory Council) but also a process of "softwiring," such that it is integrated into the organizational culture, skills, and competencies (De Wit, Wade, and Schouten 2006). Thus, to embed attention to stakeholders, Monsanto established the Pledge Award Program to recognize and reward employees who find important ways to live out the pledge to stakeholders. Similarly, Wal-Mart, as part of its response to multiple challenges from stakeholders over its social and environmental policies (Entine 2008; Smith and Crawford 2006), has extended its sustainability initiative to its employees through Personal Sustainability Projects, in which employees are asked to take a pledge to improve their bodies, their families, or the planet. Through the initiative, Wal-Mart hopes to better softwire sustainability and, through increased organizational identification (e.g., Brown et al. 2006; Maignan and Ferrell 2004), also improve employee morale and productivity and reduce health care costs. Who better to market a stakeholder orientation to key internal constituents than marketers?

Conclusions

We identify how marketing's myopic focus on customers and failure to give attention to a broad range of stakeholders can have serious adverse consequences for marketers, their firms, and society. In contrast, we propose a vision of marketing management as involving multiple stakeholders in value creation. To assist marketers in realizing this vision, we offer five propositions for improved marketing practice: (1) map the company's stakeholders, (2) determine stakeholder salience, (3) research stakeholder issues and expectations and measure impact, (4) engage with stakeholders, and (5) embed a stakeholder orientation. We assert that marketing can bring a particular, if not unique, expertise to these initiatives. Although our emphasis is on practice, we also highlight the paucity of research on stakeholders in marketing. The propositions for marketing practice suggest many avenues for research to fill this gap, from research on communication practices that are salient and effective for different stakeholders to developing methodologies and metrics for the measurement of stakeholder orientation and corporate social performance more broadly. Both marketing practitioners and researchers need to comprehend better the firm's deeply embedded position in society and shift from a narrow focus on customers to a stakeholder orientation if firms are to prosper and grow in the unpredictable business environment of the twenty-first century.

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[9]See http://www.monsanto.com/investors/financial_reports/annual_report/2008/sustainability.asp (accessed January 31, 2009).

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