

Marketing Innovation for the 21st Century

- from the research report by JMA Marketing Innovation 21 Project -

June 2001

Japan Marketing Association

【Marketing Innovation 21】MI 21 Project Group

Table of Contents

Preface

I. The Objectives of Marketing Innovation 21 (MI21)

II. Research Outline

III. The Image of Marketing in the 21st Century - Three Core Keywords

1. **Ambition**
2. **Speed**
3. **Customer satisfaction**

Preface

In 1990s, the Japanese business environment experienced unprecedented changes. The aftershock of the burst of economic bubble had lingered on when everyone celebrated the dawn of the new century while the Japanese business still remains stalemated without confidence. Some pointed out the malfunction of the current social system for the cause of the economic slump; the current social system had worked under the conventional society and economic environment until 1980s. But now the Japanese society seems to lack the clear direction of social changes. In addition, today's rapid development of globalization, information technology and new business emergence all triggered another dynamic change on the rules and definitions of competition and markets. In respect to these changes, we begin to hear a call that the concept of 'marketing' also needs to be reconsidered.

Japan Marketing Association launched the Marketing Innovation 21 (MI21) project to address these changes. The purpose of the project was to determine the direction of marketing in the 21st century. The project conducted a survey on CEOs' perspectives on management issues, market environments, and the roles and directions of marketing. The project members, comprised of leading marketing scholars and practitioners in Japan, analyzed the survey results, and compiled their analysis on this report. The report shall be distributed to marketers around the world for a reference. We hope our analysis will be used as a hint for your business in this dynamic 21st century.

Lastly, we would like to express our deepest gratitude for those CEOs who have kindly cooperated in our survey.

June 2001

Japan Marketing Association

Michio Torii

Masao Uno

Mitsuaki Shimaguchi

President

Director General

Chairman, MI21 Project Team

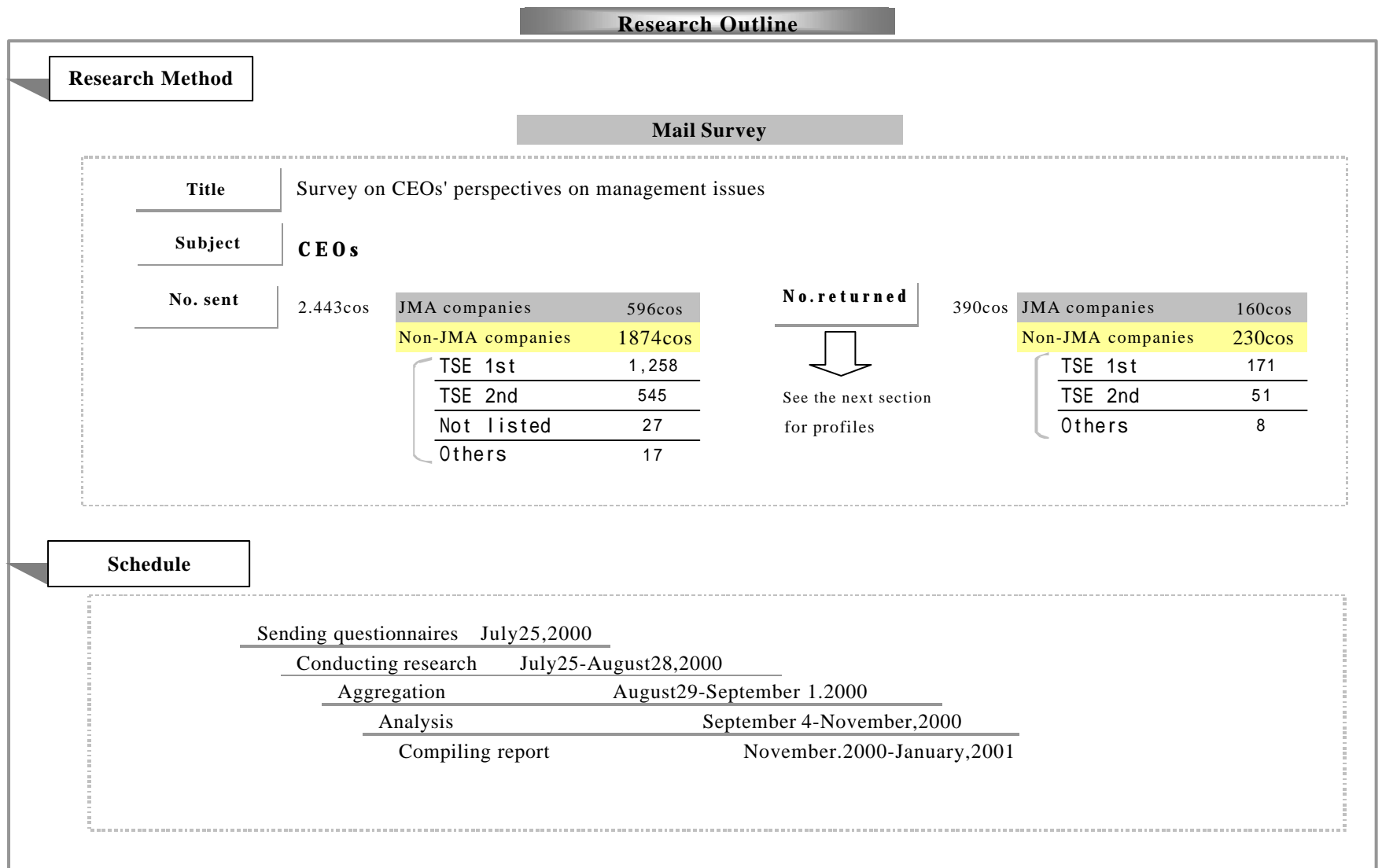
MEMBERS OF "MARKETING INNOVATION 21" PROJECT TEAM

- Prof. Mitsuaki Shimaguchi, *Keio Business School, Keio University, Japan*
 Prof. Junzo Ishii, *Kobe University, Japan*
 Prof. Yukihiko Uehara, *Meiji Gakuin University, Japan*
 Prof. Naoto Onzo, *Waseda University, Japan*
 Prof. Hotaka Katahira, *Tokyo Univerisity, Japan*
 Prof. Hirotaka Takeuchi, *Hitotsubashi Business School, Hitotsubashi University, Japan*
 Mr. Shigehiro Aoyama, *Suntory Limited*
 Mr. Shunsuke Amiya, *NTT Communications Co., Ltd.*
 Mr. Kazunari Uchida, *Boston Consulting Group Limited.*
 Mr. Etsushi Umeda, *Ajinomoto Pharma Co., Ltd.*
 Mr. Keiichi Okamoto, *Dentsu Inc.*
 Mr. Mitsuo Kondo, *Research & Development, Inc.*
 Mr. Hiroshi Sadamori, *NEC Corporation*
 Mr. Yuzuru Haga, *Japan Broadcasting Corporation*
 Mr. Shungo Hiromura, *Toppan Printing Co., Ltd.*

I. The Objectives of Marketing Innovation 21 (MI21)

The objective of Marketing Innovation 21 has two-folds; to explore 'marketing in the twenty-first century' by hearing the views, perceptions, and voices of CEOs, with whose leadership their companies fare in this drastically changing, highly competitive business environment. And to make new suggestions for marketers, based on a new image of marketing that the analysis of the survey will project.

II. Research Outline



a. Company profile

Industry category

		Total
1	Total/manufacturing	52.3
2	Construction/civil eng.	7.4
3	Food&beverages	7.2
4	Machinery/equipment	10.5
5	Materials	3.6
6	Medical/cosmetics	3.6
7	Home/office appliances	2.8
8	Other manufacturing	17.2
9	Total/services	47.2
10	Finance/insurance/real estate	5.9
11	Distribution/restaurants	9.2
12	Transport./communicat.	3.8
13	Mass Media	6.7
14	Advertising /info.service	17.4
15	Other services	3.1

The number of employees (full time)

		Total	Mfg.	Services
1	30 or less	4.6	0.5	9.2
2	31 - 100	7.9	2.9	13.6
3	101 - 300	15.4	5.9	26.1
4	301 - 1000	30	37.7	21.7
5	1001 - 5000	34.4	45.1	22.8
6	5001 - 10000	4.9	5.4	4.3
7	10000 -	2.3	2.5	2.2

Sales Share in terms of companies' positions in the category ranking

		Total	Mfg.	Services
1	1st	25.6	34.3	16.3
2	2nd	16.4	22.1	10.3
3	3rd	9.0	7.8	10.3
4	4th	6.7	5.9	7.6
5	5th/lower	36.2	26.5	47.3

Annual turnover

		Total	Mfg.	Services
1	¥2.5bil.or less	8.2	1.0	16.3
2	-¥5 bil.	3.8	1.0	7.1
3	-¥10 bil.	7.4	3.9	11.4
4	-¥50 bil.	33.8	38.7	28.8
5	-¥100 bil.	17.9	23.0	12.5
6	-¥200 bil.	12.6	16.7	8.2
7	-¥500 bil.	8.7	8.8	8.7
8	¥500 bil. or more	5.9	6.4	5.4

JMA member companies/non-JMA member companies

		Total	Mfg.	Services
1	JMA member	41.0	21.6	63.0
2	TSE 1st div.	43.8	59.3	27.2
3	TSE 2nd div.	13.1	17.6	8.2

*Listed JMA members are counted as JMA members

Business years

		Total	Mfg.	Services
1	5 yrs or less	1.3	0.5	2.2
2	6 - 10 yrs	2.8	-	6.0
3	11 - 30 yrs	15.4	3.4	28.8
4	31 - 50 yrs	30.3	24.0	37.5
5	51 - 100 yrs	40.5	61.8	17.4
6	101 yrs more	9.2	10.3	8.2

b. CEO Profile

Age

Free entry/categorized

		Total	Mfg.	Services
1	-49	6.9	5.4	8.7
2	50 - 59	32.6	33.8	31.5
3	50 - 54	11.0	8.8	13.6
4	55 - 59	21.5	25.0	17.9
5	60 - 69	57.4	59.3	54.9
6	60 - 64	35.6	38.2	32.6
7	65 - 69	21.8	21.1	22.3
8	70 -	3.1	1.5	4.9

Years of service as CEO

Free entry/categorized

		Total	Mfg.	Services
1	1	23.1	26.0	20.1
2	2	14.9	14.2	15.8
3	3 or 4	20.3	22.1	17.9
4	5 or 6	10.5	10.8	10.3
5	7 - 10	14.6	10.3	19.0
6	11 -	16.4	16.7	16.3

Working Experiences

		Total	Mfg.	Services
1	Admin./public relations	22.1	17.6	27.2
2	Personnel/education	27.2	24.5	29.9
3	Finance/accounting	23.8	24	23.9
4	Sales	69.5	69.1	69.6
5	Advertising	15.9	11.3	20.7
6	Purchase/procurement	17.7	20.1	15.2
7	Production/mfg.	30.3	44.1	15.2
8	R&D	24.6	31.4	17.4
9	Marketing	31.3	30.4	32.1
10	Management planning	52.8	58.3	46.7
11	Overseas	26.7	33.8	18.5

c. Business operation profile

Comparison of operational profits in three years

Operational profit increase in three years
(year 1997=100 point)

		point	(%)
1	Decrease	~ 99	39.3
2	Low increase	100 ~ 149	35.8
3	High increase	150 ~	24.9

Operational profit rates averaged for three years

Operational profits/total sales rate averaged for three years

		point	(%)
1	Low profit rate	~ 3	38.5
2	Medium profit rate	4 ~ 9	39.6
3	High profit rate	10 ~	22.0

III. The Image of Marketing in the 21st Century - Three Core Keywords

- The Analysis of the survey data collected from 930 CEOs highlights three keywords for 'marketing in the 21st century': **ambition, speed, and customer satisfaction.**
- Marketing in the new century will be greatly different from the one in the last century; the 20th century's marketing placed the central goal of management on the expansion of market shares, and to achieve that goal, companies were encouraged to take cautious measures to plan a policy, to lay internal groundwork, and to mobilize sales forces to conquer the market.
- 'Marketing in the 21st century' shall be a process 'to swiftly plan and implement ambitious policies to win customer satisfaction, always with customers as the central concern of management.'

1. **Ambition**

One of the characteristics that distinguish high-profit-making companies from low-profit-making ones is aggressive management policy. High-profit-making companies tend to aggressively tackle the management issues they face, while the latter tend to be very reactive. In addition, high-profit-making companies tend to have long-term goals, to be future-oriented, and to put emphasis on investment for the future in such areas as Research & Development. Another characteristic of the companies with high profit is to require executives' ability to implement and pursue management visions.

【Comment】 Ambitious companies that have long-term views and aggressively pursue high goals are considered to enjoy continual growth in the 21st century.

a. **Approaches to present management issues** - the number of 'seriously tackling': Companies with high profit are seriously tackling with more issues than companies with negative profit do (10 out of the 13 issues). The result shows high-profit-making companies are aggressive in facing present management issues. The same tendency is witnessed between companies with high profit and with low profit.

Approaches to present management issues									
- the percentage of 'seriously tackling' companies -									
	Total (n=369)			Manufacturing (n=196)			Services(n=173)		
	Profit			Profit			Profit		
	High n= (92)	Low (132)	Negative (145)	High (57)	Low (59)	Negative (80)	High (35)	Low (73)	Negative (65)
Implementing measures to improve customer satisfaction	47	36	44	40	37	41	57	36	48
Supporting sales/business by constructing information system	41	44	32	39	46	28	46	43	37
Developing environmentally friendly products	36	27	32	42	46	39	26	12	25
Effectively utilizing Internet in developing new products	25	29	23	12	20	15	46	36	32
Developing products to meet customers' needs	28	21	26	19	20	24	43	21	28
Establishing crisis management system	21	24	23	26	31	23	11	19	25
Partnership/project involvement with different industries	20	17	12	19	15	10	20	19	14
Developing elderly /aged friendly products	16	14	12	19	22	10	11	8	15
Adopting stock option system	17	16	9	19	22	10	14	11	8
Conducting e-commerce /e-selling	15	13	6	7	14	5	29	12	6
Extending retirement age /introducing re-employment system	10	11	11	11	12	14	9	10	8
Measuring the effects of advertisement and sales promotions	5	11	7	2	5	4	11	16	11
Establishing a brand management group	10	9	7	11	9	3	9	10	12

"Unknown" is excluded.

Approaches to present management issues

- the percentage of 'seriously tackling' companies -

	Total (n=364)			Manufacturing (n=194)			Services (n=170)		
	Profit rate			Profit rate			Profit rate		
	n=	High (80)	Middle (144)	Low (140)	High (26)	Middle (79)	Low (89)	High (54)	Middle (65)
Implementing measures to upgrade customer satisfaction	49	38	44	46	39	39	50	37	51
Supporting sales/business by constructing information system	41	36	41	42	37	35	41	35	51
Developing environmentally friendly products	21	31	38	23	43	47	20	15	22
Effectively utilizing Internet in developing new products	34	20	26	27	10	17	37	32	41
Developing products to meet customers' needs	34	19	26	31	17	24	35	23	29
Establishing crisis management system	18	24	24	15	25	28	19	22	18
Partnership/project involvement with different industries	21	11	16	15	11	16	24	11	18
Developing elderly /aged friendly products	16	11	15	23	17	14	13	5	18
Adopting stock option system	20	18	6	27	27	5	17	8	8
Conducting e-commerce /e-selling	20	9	6	19	5	7	20	14	6
Extending retirement age /introducing re-employment system	13	12	9	12	15	10	13	8	6
Measuring the effects of advertisement and sales promotions	11	6	9	8	5	1	13	8	24
Establishing a brand management group	13	8	7	19	5	5	9	11	12

c. **Important present management issues:** Companies with high profit tend to grant long-term investment, such as 'research & development' and 'building information systems.' On the other hand, companies with negative profit tend to prefer short-term issues, such as 'strengthening sales force,' 'strengthening financial structure,' and 'restructuring.'

Important present management issues									
	Total (n=369)			Mfg. (n=196)			Services(n=173)		
	Profit			Profit			Profit		
	High n= (92)	Middle (132)	Negative (145)	High (57)	Middle (59)	Negative (80)	High (35)	Middle (73)	Negative (65)
Revolutionizing employees' attitudes toward work	40	51	59	39	39	55	43	60	65
Developing human resources	52	52	47	47	44	38	60	58	59
Strengthening sales forces	41	50	52	33	36	43	54	62	65
Strengthening financial structure	34	46	48	35	42	48	31	49	48
Research & development	49	41	32	60	56	41	31	29	20
Building new information systems	40	39	33	35	31	25	49	45	43
Fostering innovative corporate culture	37	27	36	37	34	34	37	22	39
Strengthening marketing forces	29	42	26	32	48	21	26	37	31
Strengthening global competitiveness	32	24	28	40	42	39	17	10	14
Restructuring businesses	14	15	21	16	15	26	11	15	14
Strengthening brand power	21	21	15	19	22	15	23	19	14
Maintaining stock prices	19	14	17	16	15	23	23	14	9
Renewing management visions	13	11	21	11	9	21	17	14	20
Partnership / M & A	23	17	11	26	20	11	17	14	11
Information disclosure/ accountability to stockholder	16	11	17	23	15	23	6	8	9
Streamlining organization	5	13	12	7	7	13	3	18	12
Crisis management	12	10	10	9	12	9	17	8	11
Maintaining employment system	4	3	7	7	5	8	-	1	6
Creating new business	5	8	1	2	-	1	11	14	2

"Unknown" is excluded. (%)

2. Speed

Most CEOs attach importance on 'speed.' Virtually all respondents agree that speed is the essential condition in securing competitiveness and that CEOs should make a swift judgment and decision. Among various aspects concerning 'speed,' they tend to think it essential to keep up with rapid changes triggered by advanced technologies.

【Comment】 CEOs tend to consider it more effective to address swiftly changing environments than to design meticulously crafted management plans, for it is hardly possible to foresee the development of technological innovation and the future. It is predicted that flexibly companies that engage in creative reconstruction and continual learning, not clinging to past success, should survive in the 21st century.

a. Keywords for future management: The most popular word is 'speed,' which represents agility, and swiftness, and these words are chosen by 84 companies.

Keywords for Future Management

Rank	Keyword	No.answered	Comments provided
1	Speed	84	Speed, speedy, swiftness
2	Innovation	47	Innovation, change, reform, challenge
3	Creativity	27	Creativeness with unconventional views, creation, value creation, courage to create and challenge, originality, uniqueness
4	Globalization	24	Globalization
4	Customer Satisfaction	24	Customer-first policy, responding to customers'changing needs, improving customer satisfaction, acquiring customers' confidence and trust
5	Information Technology	23	IT revolution, digitalization
6	Management	22	Relationship management, customer-centric management, knowledge management
7	Foresightedness	9	Foresight, foreseeing change, long-term foresight, insights to read trends
8	Aging society with fewer children	8	
9	Human power	7	Human power(communication in community),recovering and fostering human power(human power = manual work)
10	Leadership	6	Decision-making power
11	Ecology	4	Placing importance on the environmental protection, ecology-friendly business
12	Profit	3	Revenue
12	Wisdom	3	
12	Brand	3	

b. Perception of business environment: 96% of the companies agree that 'speed' is an absolute condition for competitiveness.

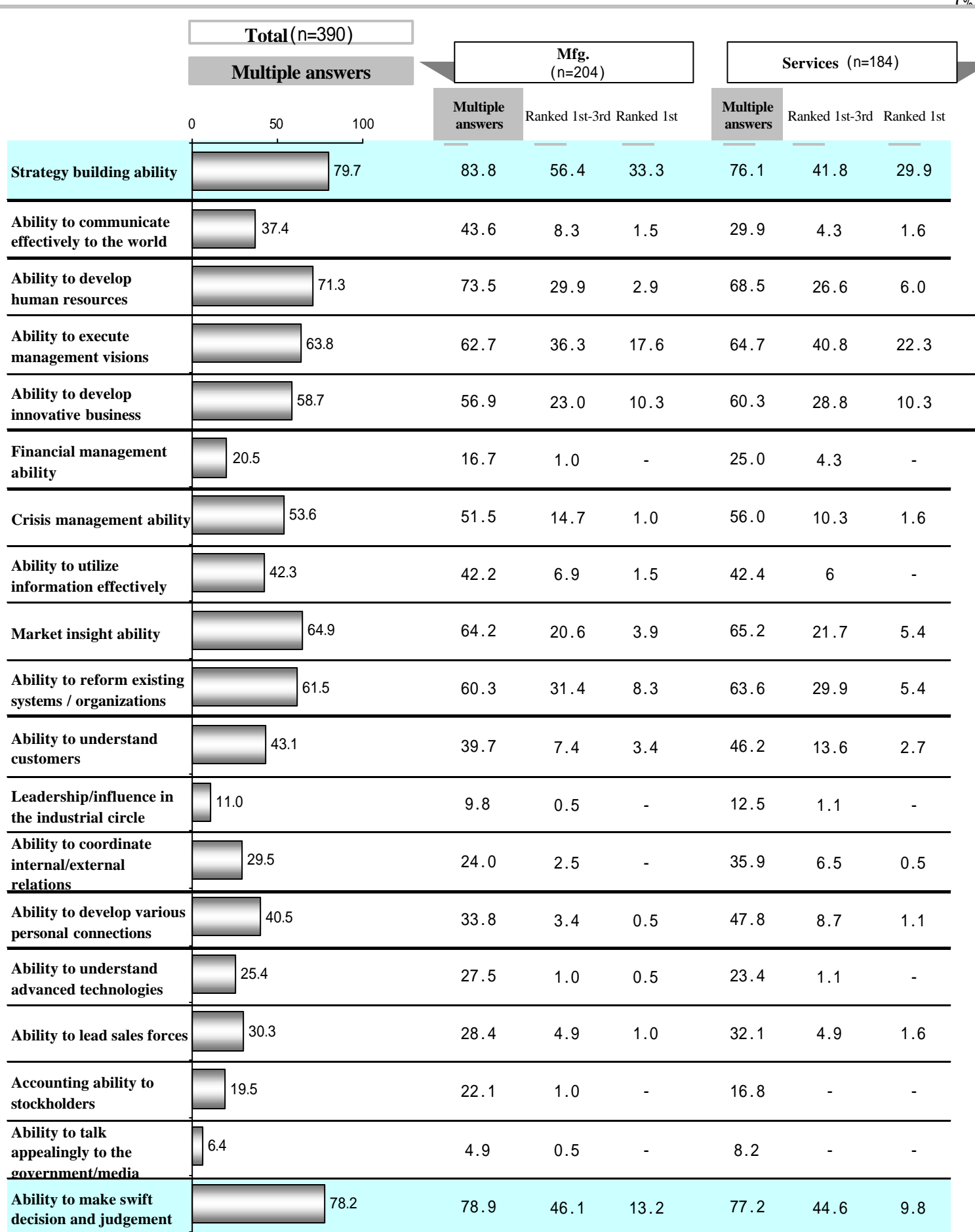
Perception of Business Environment

	Total (n=390)					Added points of positive answers	
	Positive	Relatively positive	Neutral	Relatively negative	Negative	Mfg. (n=204)	Services (n=184)
You will maintain satisfactory growth by engaging in present business areas.	30.3	25.4	13.8	23.1	7.4	49.6	62.0
Foreign capital's entry into the Japanese market has a limit.	14.4	23.1	26.2	22.3	14.1	38.2	36.4
Competition will be globalized, including Japanese overseas expansion	57.7	25.4	9.2	4.1	3.0	91.2	73.9
You can hardly survive without going through M&A/forming partnership.	35.6	33.1	20.5	7.7	3.1	71.6	65.2
You think it necessary to develop new business within your company.	23.3	34.6	26.9	13.1	2.1	53.4	63.1
Joint venture of different industries will increase.	30.0	43.1	19.0	7.4	0.5	67.1	80.4
The development of IT revolution will not affect marketing as it is today.	1.9	8.7	21.3	25.6	39.5	63.3	68.0 *
Rules of competition will change with the development of IT revolution.	39.7	40.3	11.8	5.6	2.0	80.9	78.8
There is a gap between IT-related businesses and traditional businesses.	1.5	25.6	31.3	37.9	3.6	68.1	70.1 *
You should concentrate on your main business now.	51.5	29.5	16.9	2.1	0.1	85.3	76.1
You think external executive members will work for your company effectively.	16.4	30.5	33.8	12.6	6.7	50.0	44.0
You think the executive board system effective for today's management.	15.9	19.2	34.1	19.7	11.0	35.3	34.7
Price competition by means of restructuring/cost reduction has a limit.	14.9	35.9	18.5	21.3	9.5	51.4	49.5
It will take years for free competition to prevail.	12.3	42.1	16.4	22.3	6.9	51.9	57.0
Delay in technology development will bring the loss of competitiveness.	46.9	33.6	13.6	4.9	1.1	81.4	79.3
The only way to survive for a company is to win customers' loyalty.	60.0	28.2	9.2	0.8	0.0	88.3	88.0
You think speed as the essential condition for competitiveness.	71.3	24.9	0.5	1.3	0.0	98.0	94.6
Brand building is more important than new product development.	4.6	16.7	47.4	20.0	11.3	20.6	22.3
Expenditure aimed for environmental considerations are 'cost'.	24.6	30.8	27.7	11.8	5.1	64.2	46.2
CEO should design and execute product/brand strategies.	10.3	22.6	35.1	22.6	9.5	33.3	31.5
CEO should design and execute corporate brand strategies.	36.2	35.6	16.9	9.0	2.3	77.4	65.3
CEOs themselves should lobby on the government.	21.8	32.3	33.6	9.2	3.1	52.5	55.5
The marketing oriented mindset are required for executives.	79.7	19.0	1.3	0.0	0.0	98.5	98.9

*Added point of "negative"+"relatively negative"

c. **Aptitude and capability required for executives:** ‘Strategy building ability’ and ‘Ability to make swift decision and judgment’ are most popular selections.

Aptitude and capability required for executives



d. Perception of business environment: 80% of the companies agree that delay in technology development will bring the loss of competitiveness.

Perception of Business Environment

	Total(n=390)					Added points of positive answers	
	Positive	Relatively positive	Neutral	Relatively negative	Negative	Mfg. (n=204)	Services (n=184)
You will maintain satisfactory growth by engaging in present business areas.	30.3	25.4	13.8	23.1	7.4	49.6	62.0
Foreign capital's entry into the Japanese market has a limit.	14.4	23.1	26.2	22.3	14.1	38.2	36.4
Competition will be globalized, including Japanese overseas expansion	57.7	25.4	9.2	4.1	3.0	91.2	73.9
You can hardly survive without going through M&A/forming partnership.	35.6	33.1	20.5	7.7	3.1	71.6	65.2
You think it necessary to develop new business within your company.	23.3	34.6	26.9	13.1	2.1	53.4	63.1
Joint venture of different industries will increase.	30.0	43.1	19.0	7.4	0.5	67.1	80.4
The development of IT revolution will not affect marketing as it is today.	4.9	8.7	21.3	25.6	39.5	63.3	68.0 *
Rules of competition will change with the development of IT revolution.	39.7	40.3	11.8	5.6	2.3	80.9	78.8
There is a gap between IT-related businesses and traditional businesses.	1.5	25.6	31.3	37.9	3.6	68.1	70.1 *
You should concentrate on your main business now.	51.5	29.5	16.9	2.1	0.1	85.3	76.1
You think external executive members will work for your company effectively.	16.4	30.5	33.8	12.6	6.7	50.0	44.0
You think the executive board system effective for today's management.	15.9	19.2	34.1	19.7	11.0	35.3	34.7
Price competition by means of restructuring/cost reduction has a limit.	14.9	35.9	18.5	21.3	9.5	51.4	49.5
It will take years for free competition to prevail.	12.3	42.1	16.4	22.3	6.9	51.9	57.0
Delay in technology development will bring the loss of competitiveness.	46.9	33.6	13.6	4.9	1.7	81.4	79.3
The only way to survive for a company is to win customers' loyalty.	60.0	28.2	9.2	0.8	0.8	88.3	88.0
You think speed as the essential condition for competitiveness.	71.3	24.9	0.5	1.3	0.5	98.0	94.6
Brand building is more important than new product development.	4.6	16.7	47.4	20.0	11.3	20.6	22.3
Expenditure aimed for environmental considerations are 'cost'.	24.6	30.8	27.7	11.8	5.1	64.2	46.2
CEO should design and execute product/brand strategies.	10.3	22.6	35.1	22.6	9.5	33.3	31.5
CEO should design and execute corporate brand strategies.	36.2	35.6	16.9	9.0	2.3	77.4	65.3
CEOs themselves should lobby on the government.	21.8	32.3	33.6	9.2	3.1	52.5	55.5
The marketing oriented mindset are required for executives.	79.7	19.0	1.3			98.5	98.9

*Added point of "negative"+"relatively negative"

3. Customer satisfaction

Customer satisfaction is also most important factor by CEOs. They believe that their companies will not be able to survive without winning customers' loyalty, and for this purpose they pursue measures to improve customer satisfaction.

CEOs consider the role of marketing as to gain competitive edges and customer satisfaction. Companies with high profit tend to emphasize more on customer satisfaction, while those with low profit prioritize competitive edges.

【Comment】 This tendency can be interpreted as the shift of CEOs' emphasis from relative advantages over their rivals to absolute advantages measured by continuously winning customer loyalty. For them, winning is to acquire customer satisfaction, not to overwhelm rivals in the market.

a. Important keywords for future business management: 24 companies answered Customer Satisfaction-related words, but CS ranks at the fourth.

Keywords for Future Management

Rank	Keyword	No. answered	Comments provided
1	Speed	84	Speed, speedy, swiftness
2	Innovation	47	Innovation, change, reform, challenge
3	Creativity	27	Creativeness with unconventional views, creation, value creation, courage to create and challenge, originality, uniqueness
4	Globalization	24	Globalization
4	Customer Satisfaction	24	Customer-first policy, responding to customers' changing needs, improving customer satisfaction, acquiring customers' confidence and trust
5	Information Technology	23	IT revolution, digitalization
6	Management	22	Relationship management, customer-centric management, knowledge management
7	Foresightedness	9	Foresight, foreseeing change, long-term foresight, insights to read trends
8	Aging society with fewer children	8	
9	Human power	7	Human power(communication in community), recovering and fostering human power(human power = manual work)
10	Leadership	6	Decision-making power
11	Ecology	4	Placing importance on the environmental protection, ecology-friendly business
12	Profit	3	Revenue
12	Wisdom	3	
12	Brand	3	

b. Perception of business environment: 88% of the companies agreed that the only way to survive for a company is to win customers' loyalty.

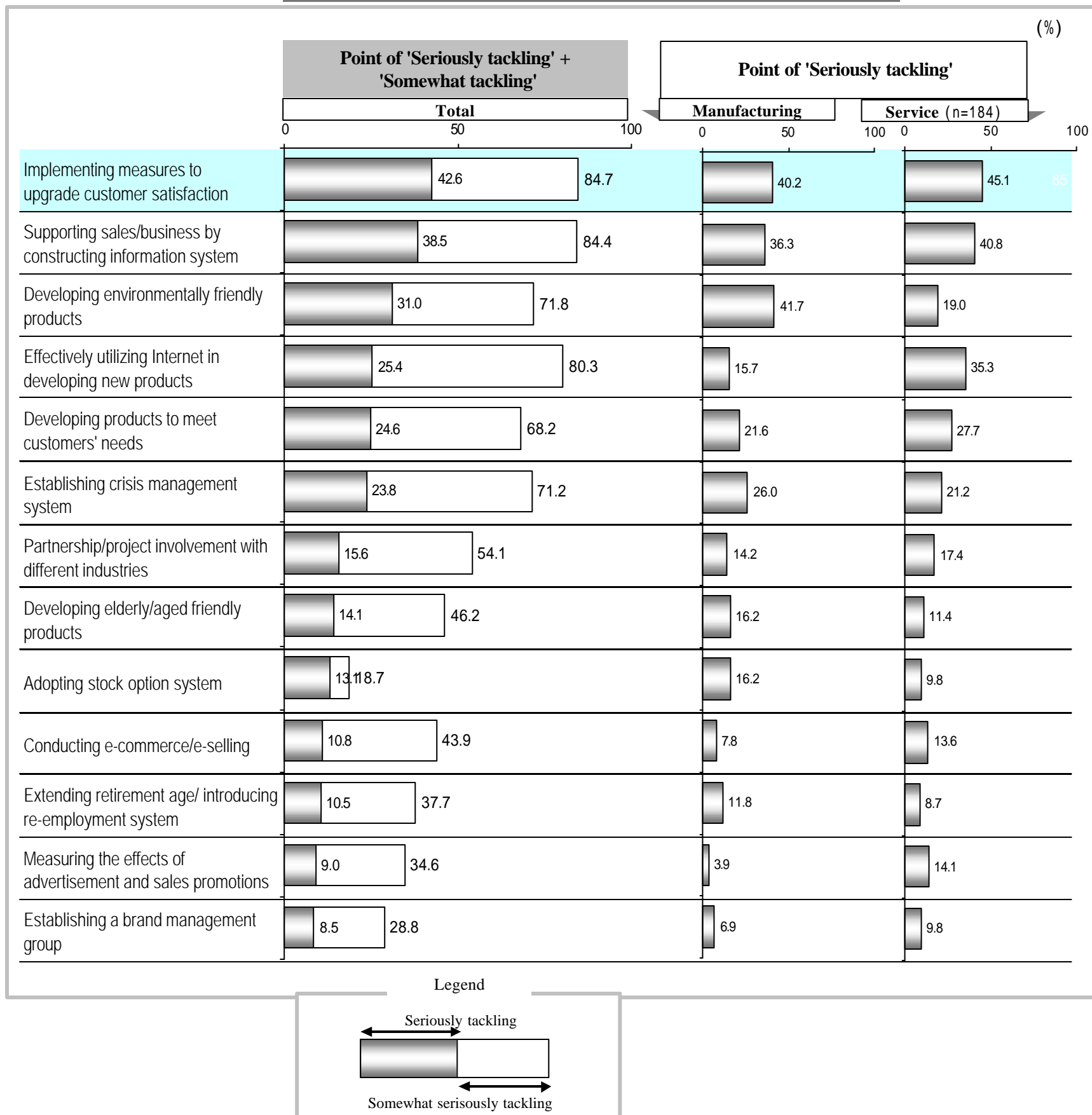
Perception of Business Environment

	Total(n=390)					Added points of positive answers	
	Positive	Relatively positive	Neutral	Relatively negative	Negative	Mfg. (n=204)	Services (n=184)
You will maintain satisfactory growth by engaging in present business areas.	30.3	25.4	13.8	23.1	7.4	49.6	62.0
Foreign capital's entry into the Japanese market has a limit.	14.4	23.1	26.2	22.3	14.1	38.2	36.4
Competition will be globalized, including Japanese overseas expansion	57.7	25.4	9.2	4.1	3.0	91.2	73.9
You can hardly survive without going through M&A/forming partnership.	35.6	33.1	20.5	7.7	3.1	71.6	65.2
You think it necessary to develop new business within your company.	23.3	34.6	26.9	13.1	2.1	53.4	63.1
Joint venture of different industries will increase.	30.0	43.1	19.0	7.4	0.5	67.1	80.4
The development of IT revolution will not affect marketing as it is today.	4.9	8.7	21.3	25.6	39.5	63.3	68.0 *
Rules of competition will change with the development of IT revolution.	39.7	40.3	11.8	5.6	2.3	80.9	78.8
There is a gap between IT-related businesses and traditional businesses.	1.5	25.6	31.3	37.9	3.6	68.1	70.1 *
You should concentrate on your main business now.	51.5	29.5	16.9	2.1	0.1	85.3	76.1
You think external executive members will work for your company effectively.	16.4	30.5	33.8	12.6	6.7	50.0	44.0
You think the executive board system effective for today's management.	15.9	19.2	34.1	19.7	11.0	35.3	34.7
Price competition by means of restructuring/cost reduction has a limit.	14.9	35.9	18.5	21.3	9.5	51.4	49.5
It will take years for free competition to prevail.	12.3	42.1	16.4	22.3	6.9	51.9	57.0
Delay in technology development will bring the loss of competitiveness.	46.9	33.6	13.6	4.9	1.7	81.4	79.3
The only way to survive for a company is to win customers' loyalty.	60.0	28.2	9.2	0.8	0.0	88.3	88.0
You think speed as the essential condition for competitiveness.	71.3	24.9	0.5	1.3	0.0	98.0	94.6
Brand building is more important than new product development.	4.6	16.7	47.4	20.0	11.3	20.6	22.3
Expenditure aimed for environmental considerations are 'cost'.	24.6	30.8	27.7	11.8	5.1	64.2	46.2
CEO should design and execute product/brand strategies.	10.3	22.6	35.1	22.6	9.5	33.3	31.5
CEO should design and execute corporate brand strategies.	36.2	35.6	16.9	9.0	2.3	77.4	65.3
CEOs themselves should lobby on the government.	21.8	32.3	33.6	9.2	3.1	52.5	55.5
The marketing oriented mindset are required for executives.	79.7	19.0	1.3	0.0	0.0	98.5	98.9

*Added point of "negative"+"relatively negative"

C. Approaches to present management issues: ‘Implementing measures to upgrade customer satisfaction’ is the biggest issue companies currently address. It ranks the first when the points of ‘seriously tackling’ and ‘somewhat tackling’ are added.

Approaches to Present Management Issues



d. CEOs' perception on the role of marketing: 'Acquiring competitive edges' and 'realizing customer satisfaction' are ranked first at almost the same points.

e. The role of marketing – percentage point of the first selection: Companies with high profit tend to attach importance on 'realization of customer satisfaction' while those with negative profit prioritize 'acquisition of competitive edges.'

Roles of Marketing

- Percentage Point of the First Selection -

(%)

* "Unknown" is excluded.

	Total (n=369)			Mfg. (n=196)			Services (n=173)		
	Profit			Profit			Profit		
	High n= (92)	Low (132)	Negative (145)	High (57)	Low (59)	Negative (80)	High (35)	Low (73)	Negative (65)
Securing competitive edges	23	25	32	30	29	38	11	22	26
Expanding of sales and/or market share	4	11	6	4	9	4	6	14	8
Realizing management visions	13	11	9	14	14	10	11	10	8
Sales/business supports	8	4	1	4	2	1	14	6	2
Making penetrate advertising communication	-	-	1	-	-	-	-	-	2
Improving profitability	2	3	6	-	2	6	6	4	5
Building relationship with customers	3	8	9	2	7	10	6	10	8
Realizing customer satisfaction	36	26	19	42	25	15	26	26	25
Achieving sustainable growth for company	10	11	17	5	12	16	17	10	17

Companies with high profit tend to attach importance on 'realization of customer satisfaction' while those with low profit prioritize 'acquisition of competitive edges.'

Roles of Marketing

- Percentage Point of the First Selection -

(%)

	Total(n=364)			Mfg.(n=194)			Services (n=170)		
	Profit rate			Profit rate			Profit rate		
	High n= (80)	Middle (144)	Negative (140)	High (26)	Middle (79)	Negative (89)	High (54)	Middle (65)	Negative (51)
Securing competitive edges	16	29	34	19	32	38	15	25	26
Expanding of sales and/or market share	13	8	4	19	4	2	9	12	6
Realizing management visions	13	9	13	12	10	15	13	8	10
Sales/business supports	5	4	4	-	1	2	7	6	6
Making penetrate advertising communication	-	-	-	-	-	-	-	-	-
Improving profitability	6	-	5	4	-	5	7	-	6
Building relationship with customers	5	6	9	4	6	8	6	6	10
Realizing customer satisfaction	29	27	24	31	29	23	28	25	28
Achieving sustainable growth for company	11	17	9	12	17	8	11	19	10

* "Unknown" is excluded.