

# Marketing myopia

The term **marketing myopia** was first used in an article for the “Harvard Business Review” by marketer Theodore Levitt, in 1960. He argued that most businesses suffer from marketing myopia because they lack the vision of the dynamics of the market and incorrectly take a short-sighted, limited, product-oriented approach in their marketing strategies. Marketing is their tool only to increase sales in what they do best and win competitors, instead of being an instrument to think “outside the box”. In other words, he stresses that a business can survive and perform better if it looks ahead and focuses on innovation and change, to satisfy ever-changing consumer needs and interests.

Theodore Levitt argued that the history of every dead and dying industry is often due to four mistakes:

1. the wrong belief that growth is only assured by an expanding and more affluent population;
2. the wrong belief that the industry’s major product can’t and mustn’t be replaced;
3. too much faith in mass production to cut costs;
4. investment to improve an old product instead of replacing it with a new one.



Levitt’s pointed out that companies are short-sighted because they rely on the presumed longevity of their top products to survive. Conversely, they should consider their industry sector broadly, and take advantage of its growth opportunities and continued evolution.

Kodak is a successful example of this approach: it defined itself as being in the photo industry and wasn’t scared when digital

photography destroyed the film-based camera market. Instead of focusing its energy, time and resources in new marketing strategies to get one more order of films, it announced that films were not making a profit for Kodak anymore, and it invested energy in the new age of photography.

Most companies have fought marketing myopia and have survived by:

- being more customer focused;
- being innovative and reinventing themselves;
- investing in predictive market research;
- setting long-term profit objectives while sacrificing short term objectives.

Another form of marketing myopia is affecting modern businesses today. It consists in viewing the customer mainly as a commercial entity: a consumer that buys to satisfy short-term, material needs. They often overlook his social side, the fact that he is a citizen, a parent, a community member in a global village, who is concerned about the long-term future health of the planet. Marketeers should also have a distant vision of social influences on the global market.



### 1 Answer these questions.

1. Why are some companies short-sighted in their marketing strategies according to marketer Theodore Levitt?
2. What approach should a company take to survive in an ever changing business world?
3. What are the product-oriented mistakes companies often make?
4. Do a company's growth and success only depend on a rise in consumer purchasing power?
5. Why is Kodak an example of a foresighted company?
6. What new form of marketing myopia is affecting companies?



### 2 Choose the correct option.

#### Myopic madness in business

Everyone **1. applauds/applaud** the new launch of a company's product, customers wish they **2. can/could** be the first to use it, and the company's owner is ready to **3. do/make** money. What **4. could/should** go wrong? "Myopic Madness" is what **5. would/could** go wrong: the inability to see clearly into the distance and a focus **6. in/on** short-term objectives, mainly on **7. increase/increasing** sales and revenues. American companies have never **8. be/been** so myopic in their vision as they are today. Managers are so focused on short-term results and objectives to be reached, in order to **9. make/do** a report look healthier **10. that/than** it really is, that they are no longer properly training newly-hired **11. employers/employees**. On the contrary, they are employing bad work practices and exploring **12. market/offshore** options to save money, without considering the **13. short/long** term effects of such mistakes on the quality of products and the company's reputation. Leaders **14. must/need** to be able to see the future today and drive the organisation away from this dangerous short sighted vision of business and towards that destination. A **15. trademark/brand** name is such a value and strength for a company that it **16. mustn't/should** never be sacrificed in the pursuit of short-term profits.

