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The American Marketing Association Releases New Definition for Marketing

Industry authority recasts role of marketing as an educational process and recognizes role of non-marketers for the first time

Chicago, IL (Jan. 14, 2008) – The <u>American Marketing Association</u> today unveiled the <u>new</u> <u>definition of marketing</u>, which will be used as the official definition in books, by marketing professionals and taught in university lecture halls nationwide.

The new definition includes the role marketing plays within society at large, and defines marketing as a science, educational process and a philosophy - not just a management system. It also expands the previous scope of the term to incorporate the concept that one can market something to "do good."

"One of the most important changes to American Marketing Association's new definition for marketing is that marketing is presented as a broader activity," says Nancy Costopulos, Chief Marketing Officer of the American Marketing Association. "Marketing is no longer a function – it is an educational process."

The new definition reads:

"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."

The previous definition stated:

"Marketing is an organizational function and a 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."

The American Marketing Association revisits the definition for marketing every five years in a disciplined effort to reflect on the state of the marketing field. This process, as laid out in the Association's bylaws, is guided by a committee whose members represent a cross-section of the marketing industry. The committee formed in late 2006, under the leadership of Donald R. Lehmann, the George E. Warren Professor of Business at Columbia Business School in New York.

The committee used qualitative insight generated through an evaluation of the 1985 and 2004 definitions of marketing to craft a new definition that better serves the constituents of the American Marketing Association. As part of this process, Association members were asked to provide input on what they liked best about the previous definition, and what they would change. Members were later asked to offer feedback on a draft of the revised definition. At the end of the revision process, the American Marketing Association found that more than 70 percent of their membership viewed the new definition as an improvement.

"Marketing and its various elements change with the times," says Costopulos. "American Marketing Association recognizes that shifts in the marketing world warrant a change in the way we define our practice."

History of the Definition of Marketing

As early as 1935, the National Association of Marketing Teachers, a predecessor of the American Marketing Association, conceived the original definition for marketing. The American Marketing Association revisits the definition every five years. The next review of will take place in 2012.

As adopted by the National Marketing is an organizational Association of Marketing function and a set of Teachers, an American processes for creating, Marketing Association communicating, and delivering predecessor organization: value to customers and for [Marketing is] the performance managing customer of business activities that relationships in wavs that direct the flow of goods and benefit the organization and its services from producers to stakeholders consumers 1935 2004 1985 2007 [Marketing is] the process of Marketing is the activity, set of planning and executing the institutions, and processes for conception, pricing, promotion, creating, communicating, and distribution of ideas. delivering, and exchanging goods and services to create offerings that have value for exchanges that satisfy customers, clients, partners, individual and organizational and society at large.

About the Committee

Mike Lotti, the former chairman-elect of the Board of Directors of the American Marketing Association and chairman of the Governance Committee, appointed the following committee to revisit the 2004 definition of marketing.

Don Lehmann, Columbia University, Committee Chair Shelby Hunt, Texas Tech University, At-large Member Wayne McCullough, Daimler-Chrysler, At-large Member

objectives.

James Piltier, University of Wisconsin-Whitewater, Collegiate Chapters Council Ric Sweeney, University of Cincinnati, Professional Chapters Council Joan Treistman, M/A/R/C Research, Marketing Research Council William Wilkie, University of Notre Dame, At-large Member Becky Youngberg, American Marketing Association George Zinkhan, University of Georgia, Academic Council

About the American Marketing Association

The American Marketing Association is the largest marketing association in North America. It is a professional association for individuals involved in the practice, teaching and study of marketing worldwide. It is also the source that marketers turn to every day to deepen their marketing expertise, elevate their careers, and, ultimately, achieve better results. American Marketing Association members are connected to a network of experienced marketers nearly 40,000 strong.

American Marketing Association offers highly acclaimed Training Series, professional conferences, and Hot Topic events focused on the immediate needs of marketers, as well as trends shaping the future. American Marketing Association's website, MarketingPower.com, is the everyday connection to marketing data, articles, case studies, best practices and a robust job bank. Additionally, the American Marketing Association is the source for the field's top magazines and journals, including *Marketing News.* Through local and collegiate chapters, American Marketing Association members are connected with the best people and the best practices.

American Marketing Association is also the creator of Mplanet, the unparalleled industry event that brings together the world's most creative thinkers, including senior marketing executives, top academicians and other thought leaders, to share fresh insights, new concepts, the latest research and solutions for the most pressing marketing challenges and opportunities. Mplanet 2009 will take place in Orlando, Florida, January 26-28, 2009.

For more information on the <u>American Marketing Association</u> or Mplanet 2009, please visit <u>www.MarketingPower.com</u>.

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