

The Value of a Non-Traditional Approach to Marketing Education

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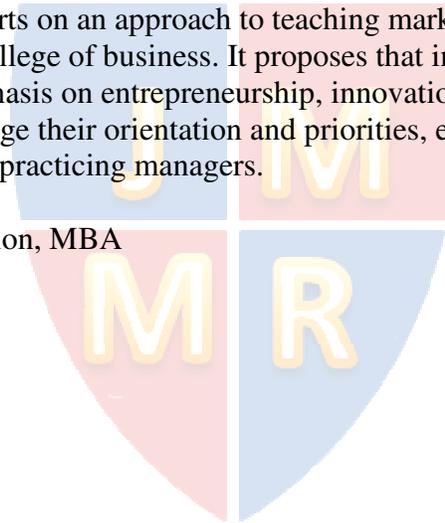
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ABSTRACT

Most marketing courses in graduate-level programs emphasize the creation and implementation of marketing plans after the product has been developed. Little attention has been paid to marketing's role in advancing ideas from product concept through research and development. This paper reports on an approach to teaching marketing at the MBA level in a private AACSB-accredited college of business. It proposes that in the current technology-driven economy with academic emphasis on entrepreneurship, innovation and leadership it is imperative that marketing educators change their orientation and priorities, especially when designing the first or only course offered to practicing managers.

Keywords: marketing, education, MBA



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INTRODUCTION

Business education needs to be more relevant. This is not a new message to academia (Hair, 1995). The criticism comes from graduates, students' employers and faculty. The complaints vary, but generally have not changed dramatically over the years: Business education is too functionally oriented; it lacks needed pedagogical creativity (Solomon et al, 1994; Neelankavil, 1994); and it does not equip graduates with the communication, interpersonal (Rubin, 2009) and marketing skills required by today's practicing managers (Clarysse, 2009). In response to these criticisms, traditional business programs have changed and continue to change (Bisoux, 2013). Business schools have redesigned programs, added new courses, certificates, and majors, and compressed the length of time to complete degrees, such as the Masters of Business Administration (MBA). Now, though, much more granular changes are needed. The focus must shift to course content and delivery. Nowhere is this change more needed than in graduate-level marketing education. The current truncated approach to marketing education does not meet the needs of today's students, particularly those enrolled in the newer business college programs. Nor does it serve the marketing educator's internal customer – the business college itself. Marketing's principles, concepts and tools have greater applicability in today's management, entrepreneurship, innovation and leadership programs than ever before.

This paper suggests a new approach to the design and delivery of marketing courses, specifically "first and only" courses. -- Preliminary findings from an ongoing, three-year, pilot course in the college of business of an AACSB accredited MBA program is provided to illustrate how this need is being addressed.

Macro Trends in Graduate Business Education Programs

Much of the criticism leveled at business schools appears targeted at MBA programs, which are now the most popular master's program in the United States (Fortune.com, 5/31/2014). On a macro level, business schools have generated new degree themes, specialty courses and new emphasis in MBA offerings. For example, entrepreneurship certificates, programs and majors have become a mainstay in many business schools, as have various programs in organizational leadership, courses in innovation, ethics, corporate social responsibility, sustainability, communications and interpersonal skills. Most recently, business analytics courses and programs have gained traction in response to managing "big data" especially in graduate programs. Interdisciplinary programs now include joint degrees in law, engineering and medicine (Southherst, 2014).

Also at the macro level, many graduate business schools offer numerous compressed MBA programs to accommodate different candidates' and employers' needs through evening, day, weekend and hybrid online programs. The 12-month compressed MBA is gaining

credibility. Many programs and courses are offered as hybrids, engaging students in the classroom through web-based tools such as surveymonkey.com and zoom.us.

Marketing's Dilemma and New Role

These macro trends pose a particular challenge for marketing education. With the breadth of courses now offered, having the time or "room for" more than one or two marketing courses in a program is highly unlikely. Marketing concepts and principles may be allotted only 3 to 6 semester hours in a typical 36-hour master's program.

This raises the all-important question: What is to be emphasized in marketing education, and what is therefore only touched upon? Marketing's role in today's business spans the entire life cycle of the firm's product and service offerings, from early product marketing (idea generation, concept development, guiding R&D in new product development) to the day-to-day product management tasks associated with existing products (customer services, advertising, public relations, market research, sales and promotion and product fulfillment) (Kotler, 2009). However, its importance is not reflected in many business school curricula.

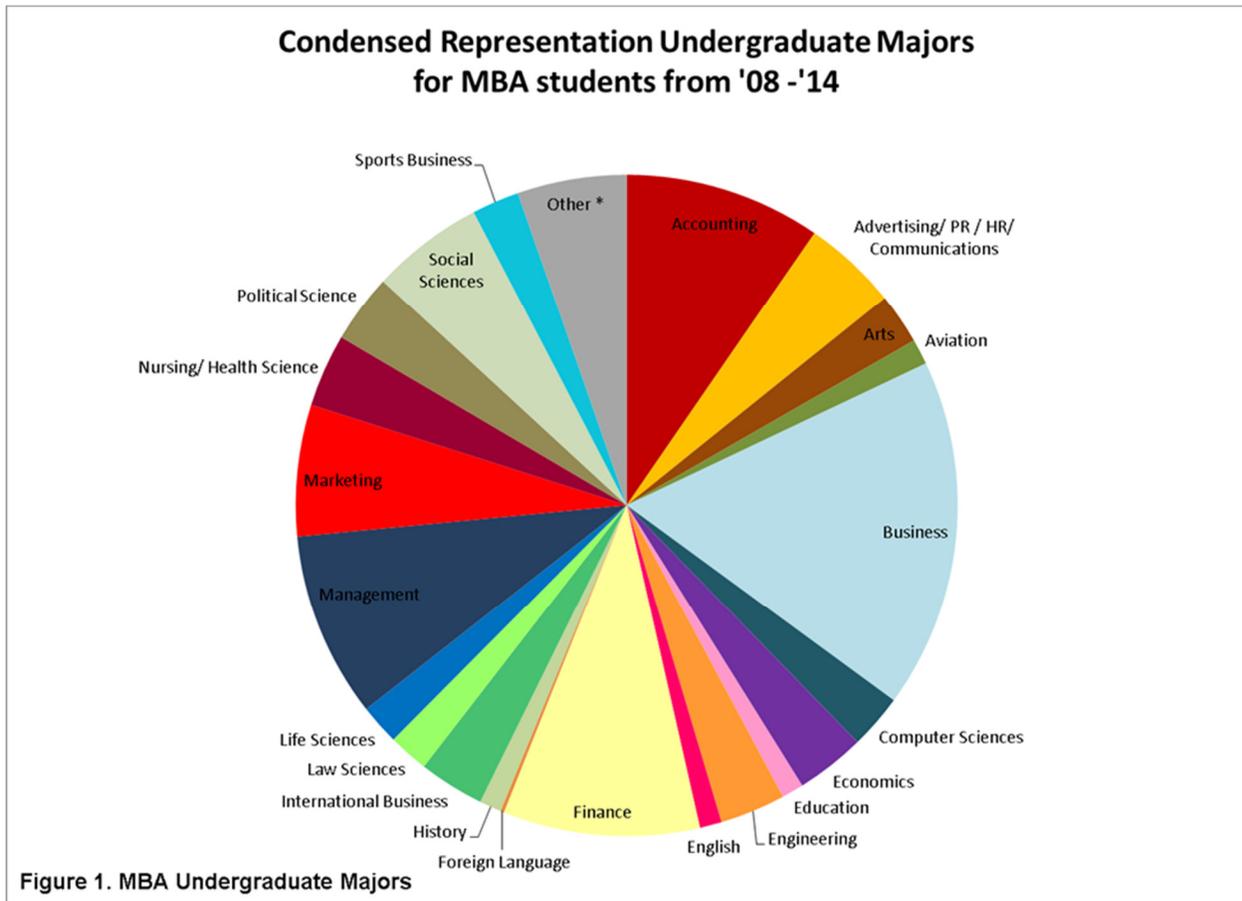
This dilemma should be of particular concern for marketing educators. The need for greater emphasis on marketing is clear.

First, basic marketing concepts and principles, such as the marketing concept and market orientation (Yannopoulos *et al*, 2012), form a foundation for firm innovativeness and new product performance (Ihinmoyan, 2011; Day, 1994; Jaworski and Kohli 1993; Slater and Narver, 2000; Verhoef and Leeflang, 2009; Hong *et al*, 2012; Chang, 2000; Gresham, 2006). Successful innovations are a product of discovery, invention and sound application of marketing principles. This has profound implications for educating would-be entrepreneurs and their teachers. Normally the development of a business plan is required in entrepreneurship courses (Zimmerman, 2012), and marketing plan content is necessarily embedded in the plan. A well planned and executed marketing plan is critical to the innovation success (Edelmann *et al*, p.65, 2008). In our college of business, we found that our entrepreneur student had insufficient knowledge on how to generate the necessary information to develop a marketing plan. Entrepreneurship programs should provide for students to be grounded in the basic principles of opportunity identification, marketing planning and analysis and forecasting. Another problem for marketing educators is that, unlike product management, early product marketing generally is given scant attention in many introductory marketing textbooks or first courses offered in graduate programs. The second marketing course, if offered in the MBA program, more likely will emphasize marketing research, customer relationship marketing or international business. The upstream product marketing, most needed for entrepreneurs, is not being properly addressed in many graduate marketing courses.

Another factor driving the need to recalibrate "first or only" marketing courses is that today's typical graduate business student is not necessarily an undergraduate business major. Figure 1 shows the broad range of undergraduate degrees earned by students in our institution's MBA programs. Many of these students lack the basic product management knowledge taught in undergraduate business courses. This would suggest that the first or only marketing courses should cover the basics of product management. However, students' career expectations do not necessarily support this idea.

At our college of business, nearly all students taking the single marketing course in the three MBA programs offered since spring 2010 do not aspire to become marketing professionals.

Surveys of all MBA students at the beginning of the graduate marketing classes show that approximately 50% plan to be employed in some area of accounting, finance or investment banking, and nearly one-third hope to run their own business (entrepreneurs). The remaining MBA candidates are mostly corporate IT managers and corporate “intrapreneurs” from the medical, chemical and other various industries.



Moreover, the number of entering non-business major MBA students at the college of business is projected to exceed the number of business-degreed students as early as 2017 (Figure 2).

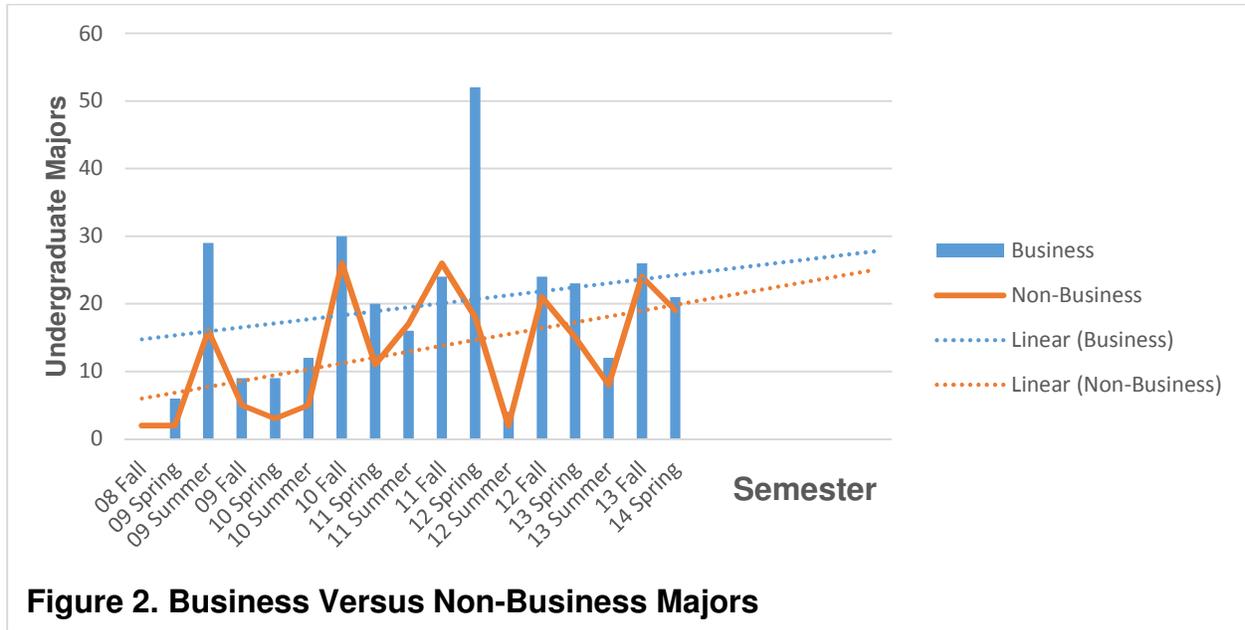


Figure 2. Business Versus Non-Business Majors

This trend is by no means limited to our college. The Association of Advance Collegiate Schools of Business (AACSB) recently called on its member institutions to address the business needs of graduates from the sciences, technology, engineering and mathematics (STEM) disciplines (AACSB Conference, 2014). These graduates are generally entering business either as scientists, entrepreneurs or as executives in corporations, where they will need interpersonal and communications skills and overall sound business literacy. STEM education is in vogue with the U.S. government. The opportunity to build joint academic programs of study with the STEM disciplines is an exciting opportunity for business schools that most has yet to tap. Figure 3 below shows the level of STEM student participation at our college of business, which we believe represents a major opportunity for institutional growth and further tweaking of marketing education.

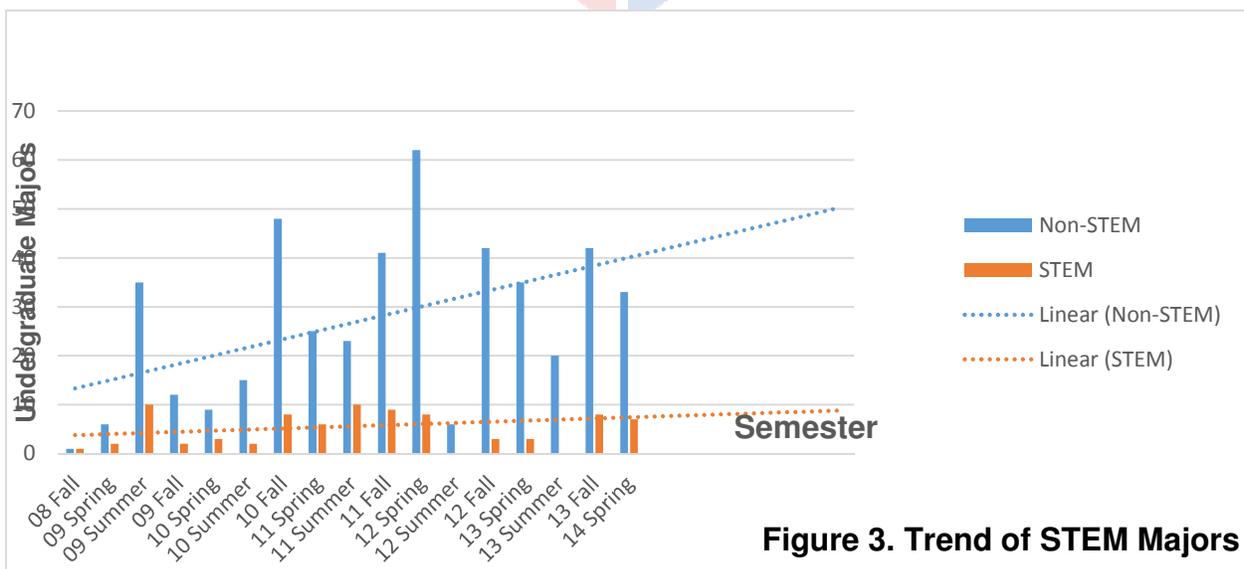


Figure 3. Trend of STEM Majors

Pilot Course Development – 2010-2014

At our college of business, the initial observation that there was a need to modify our lone marketing course for graduate students was the recognition of a gap, or void, in the entrepreneurship program. In many entrepreneurship programs, development of a business plan is considered central to the students' education (Edelman et al, 2008). What is missing in the business plan, though, is a convincing product/market "fit" of the entrepreneur's product or service idea with the market need. The basic tenet of successful marketing – and an entrepreneur's foundation for seeking funds for development from venture capitalists – is a plausible explanation that a substantial need exists for the innovation in the marketplace. Entrepreneurial and marketing literature is replete with the link between entrepreneurial success and market orientation (Hong et al, 2012; Merlo and Auh, 2009; Adonisi and Wyk, 2012; Matsuno et al, 2002; Yannopoulos et al, 2012; Lumpkin and Dess, 1996). At our college of business, several graduate professors and some students have suggested that the current entrepreneur students have insufficient knowledge on how to generate the necessary information to quantify the need for their product.

In 2010, we began surveying marketing students who had completed their first and only marketing course. Most of the students were in middle-management corporate positions and expected to "move up" and be responsible for making decisions about product development and new business opportunities. After being introduced to the broad applicability of marketing to the firm, these students strongly felt they should learn how to "manage" the new business/new product area. In other words, they felt that their sole course showed them just the tip of the iceberg.

The broad applicability of marketing to overall business strategy in general, and to entrepreneurial initiatives in particular, convinced us of the need to emphasize teaching early new product marketing skills over traditional in-service, product management skills. This approach addresses the importance of cross-functional teams, especially the internal communication between technology, R&D and marketing.

The academic literature supported our assumption that there was a need for skills of upper management in the area of new product planning (Jacobsen, et al, 2014; Gresham, 2006; Kohli & Jaworski, 1990). A new graduate MBA marketing course was developed that emphasizes early new product marketing planning and technology management.

Course Development: Learning objectives and support activities

A sampling of the major learning objectives for the new MBA marketing course and specific teaching materials are detailed below.

Learning Objective: Students will demonstrate competency in cross-functional communication, including presentation and written skills necessary for early marketing activities associated with new product development and technology management.

At the beginning of the course, students are asked to brainstorm, individually and collectively, new consumer product ideas. Their teams submit three new product ideas which one will be chosen, per team, as their course project.

The concept of the market needs report (Exhibit A) is introduced to the students. A market needs report (MNR) is a marketing, business development or new ventures department creation specifically constructed to capture the essence of a new product concept and the need in the marketplace. The MNR shares similar elements with conventional marketing plans, such as product objectives, strategies for pricing, distribution and promotion.

The report is submitted to R&D. R&D's response is then submitted back to the MNR creator in the form of a basic data document (BDD). This document details what R&D can provide, either through development and/or technology licensing, to support the market demands stated in the MNR. The content of a BDD would include cost estimates, manufacturing details and overall basic product design features that would meet the demands of the target customer. The MNR is a focal point for the firm. The BDD is essentially a projected specification sheet for marketing to develop sales and profit projections. A firm generally would have many product hopefuls described through the MNR/BDD internal communications.

The MNR is the basis for obtaining development funding. In reality, both documents, MNR and BDD, are dynamic communiques between and among functional groups within an organization. For example, as new information is obtained by R&D, this information is passed on for marketing's review and measure of interest in further pursuing.

Students are required to make team presentations in which they use the MNR to request development funds. This is a different type of internally competitive presentation. Faculty members and local business executives are invited to these presentations and may ask questions of the presenters. Interim mini-presentations may also be required of students in order to simulate casual venues for internally marketing a new product idea.

Learning Objective: Students will apply collaborative technological communication skills to develop and manage a team project.

Students are required to conduct at least one team meeting via video conferencing using zoom.us or other supportive technology. Our MBA and Executive MBA (EMBA) students applaud this technology's value for managing their work, school and home schedules. The students are given the option to tape the video and share it with the instructor or invite the instructor to "attend" the meeting and provide feedback during and after the sessions.

Learning Objective: Students will use primary and secondary research to develop key information, issues and/or problems using appropriate evidence in building their MNR.

Primary research is required, including personal interviews of potential customers, focus groups and surveys utilizing survey software, such as surveymonkey.com. All of this information is included in their formally outlined MNR. A college of business "Guide to Business Research" has been developed to assist students in their research endeavors.

Learning Objective: Students will discuss conclusions, implications and consequences of their business recommendations and decisions.

Marketing course objectives recognize the implications and consequences of new product efforts and innovation strategies to the overall strategic direction of the firm. The impact of likely second- and third-generation products are addressed, and their impact on the firm's overall strategic growth plan and use of resources and capabilities in long term planning. Formal new

product forecasting techniques and financial tools are used to estimate net profit values and internal rate of return.

Learning Objective: Students will be aware and acknowledge the presence of ethical, social and ecological issues or dilemmas involved in business activities.

Sustainability features must be built in to the new product concept. The students' MNR also must address ethical, social and ecological issues that might precipitate as a result of the new product's introduction.

Learning Objective: Students will demonstrate basic marketing knowledge in written exams, oral presentations and project (MNR) reports.

Prescriptive classroom lectures on basic marketing concepts and principles are presented early in the course. Besides lectures, the targeted use of current and foundational readings in applied management, such as marketing, leadership and innovation, video and guest lecturing augment the learning process.

Preliminary Observations and Assessment of Results

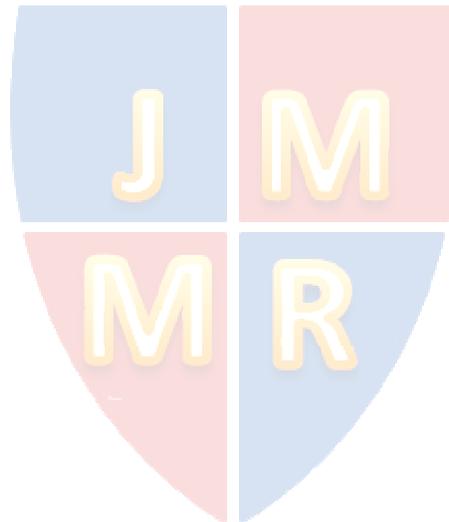
Student exit surveys, student comments and institutional course evaluations support this new approach to marketing education. Students have maintained a high level of performance, as measured by annual syndicated Educational Testing Service scores. Faculty from finance and accounting, in addition to management and marketing, have informally praised the professionally delivered presentations and its content. And at least two provisional patents have reportedly been awarded to students for products concepts that were originally developed in the new designed marketing class.

A post-pilot course survey of MBA graduates who took the course described in this paper is tentatively planned in 2015.

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APPENDIX

Exhibit A

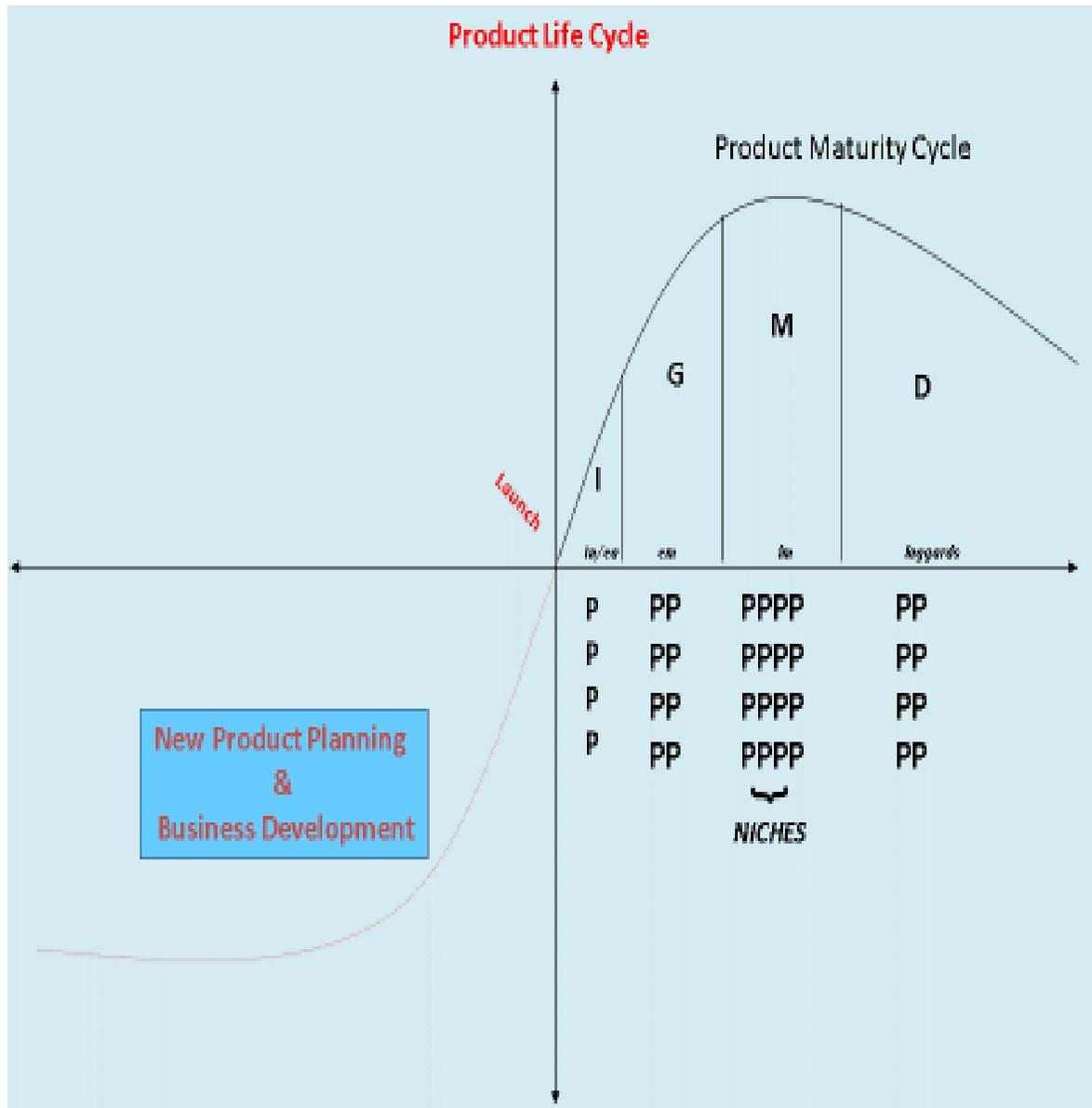


Exhibit B

Outline for a Market Needs Report*

Executive Summary (Optional: 1 page)

Title Page (1 page).

The Market Need (1-2 pages with attachments). This section describes the need in the marketplace this product would fulfill. Often, the concept is briefly explained with a detail of the product's specifications and drawings in attachments at the end of the report.

Situation/Environmental Analysis (2-3 pages with attachments). This is a concise, but critical overview of your product candidate's industry, target market and other significant information such as competition, legal, regulatory, political, cultural/ecological, financial, demographic and technological trends. Citations are necessary to validate your information. This section is a split-files assignment, meaning it is submitted early for review and grading (see your Tentative Class Schedule for submission dates).

Marketing Objectives (½ page). This consists of 3-5 projection for sales, profit, market share and other performance expectations for the product at 1-year, 2-year and 3-year after launch.

Marketing Strategies (4-5 pages). Paragraphs describing Distribution, Pricing, Promotion, Process, People, Positioning, Physical Layout and any additional new product developments envisioned following development of the first generation product described herein. (The 8 Ps)

Marketing Tactics (2-3 pages). Implementation plan for the stated above strategies.

Evaluation and Control (1/2 page). Discuss critical success factors, monitoring and progress reporting)

ATTACHMENTS (Generally observed in MNR documents)

- Basic data document (This is a "spec" sheet submitted by R&D)
- Engineering drawings/photos of product/website/brochures
- SWOT (optional)
- Financials, including 3-year Pro Forma income statement and budget
- Photocopies of packaging, merchandising and/or promotional materials
- Production/manufacturing schedule, if appropriate
- Target market demographics, competitive information, FAB
- Master communications/media schedule
- Launch plan
- Timelines/critical path to launch
- Contingency plan(s)
- Post-launch plans (for feedback on sales and programs)

*This course requires market research and cross-functional training.