

**IMPLICATIONS OF EUROPEAN UNION MEMBERSHIP FOR THE DEVELOPMENT
OF MARKETING CURRICULA IN EU TRANSITIONAL ECONOMIES:
A FRAMEWORK FOR ANALYSIS**

Ed Petkus, Jr., Mary Baldwin College, Staunton, VA 24401; 540-887-7067

ABSTRACT

After discussing issues germane to marketing curricula in transitional (formerly socialist) economies, this paper addresses issues germane to a "second transition" for these countries: membership in the European Union. The re-definition of the meaning of "marketing," increasing sophistication of marketing operations, and an alteration of the role of marketing in society are identified as dimensions of marketing curricula that could be affected by EU membership. Preliminary research propositions and data collection issues are identified.

INTRODUCTION

This paper represents the preliminary stage of a long-term research agenda designed to investigate how marketing curricula have developed and evolved in the transitional economies of the European Union. The research overall seeks to explore the historical evolution of marketing curricula, the current status of marketing curricula, and the implications for future development of marketing curricula in these formerly socialist markets.

The ultimate purpose of the long-term research agenda is to generate a descriptive analysis of the relationship between European Union membership and the nature of the marketing curricula in institutions of higher-education in transitional economies. The specific purpose of this paper is to develop a broad, general framework for an analysis of this dynamic relationship.

**MARKETING CURRICULA IN TRANSITIONAL
ECONOMIES**

In general, a transitional economy is an economy which is in the process of changing from a planned, socialist economy to a free-market, capitalist economy. While different countries obviously can be at different stages of this type of transition at any given time, for purposes of this paper "transitional economy" will refer to any country whose economy is at any stage in the process of this transition.

Given the significant changes in business operations in general, transitional economies present special challenges in curricular reform for all business disciplines. In an analysis of higher education reform in transitional economies, Hall and Thomas (1999) discuss the importance of integrating curricular reform with changes in institutional values and beliefs, and reform in institutional bureaucracy. These higher-level changes should then translate into reform in other aspects of the learning experience, such as technology resources, assessment, and attention to student learning styles, all of which would be particularly relevant to business disciplines (Thomas 1998).

With respect to marketing in particular, transitional economies have several special characteristics: (1) a re-definition of the meaning of "marketing"; (2) increasing sophistication of marketing operations; and (3) an alteration of the role of marketing in society. Each of these characteristics, and their relation to marketing curricula, are discussed in the following sections.

Re-Definition of the Meaning of "Marketing"

In transitional economies, the basic meaning of the concept of "marketing" also undergoes a transition. The transition to a market economy, particularly in its earliest stages, creates challenges at the ideological level and at the operational level, in that people are unfamiliar with the "Western" concept, functions, and terminology of marketing (Lauter 1971). Indeed, the understanding of the concept of marketing in a transitional economy faces the difficulty of overcoming decades of research, teaching, and practice in a system that was diametrically opposed to the capitalist definition (Weinberg, Spieker, and Schmidt 1991).

In the same way that citizens and marketing professionals have to learn a new system of consumption patterns and marketing operations, marketing educators have to make a conceptual shift from a production orientation to a market-orientation (Kerr 1996). These challenges are reflected in the fact that marketing was almost always absent from the business curricula in Socialist economies (pre-transition) even in cases

where accounting, human resource management, and leadership studies were taught (Weinberg, Spieker, and Schmidt 1991). Clarke and Flaherty (2003) found that marketing educators teaching in newly emerging markets (including transitional economies) needed to explain the benefits of marketing and to overcome attitudinal barriers to the acceptance of marketing as a critical aspect of business.

Despite the challenges, the shift to a market-orientation has important (if not particularly surprising) implications for marketing success. Hooley et al. (2000) found a strong correlation between market orientation and marketing performance of firms in the transitional economies of Poland, Hungary, and Slovenia.

From this, we should expect that marketing curricula in transitional economies would reflect a shift from production concept to marketing concept in the actual business world. Also, as marketing becomes more important, we should see an increase in the importance (and thus presence) of marketing in the overall business curriculum.

Increased Sophistication of Marketing Strategy and Operations

Following a re-definition of the concept of marketing, transitional economies experience a commensurate increase in the sophistication of marketing strategy and operations. This includes product and services development, pricing, distribution, sales, and marketing communication (Hooley et al. 2000; Kerr 1996; Lauter 1971).

Again, these shifts translate into challenges in the development and delivery of marketing curricula. Lesakova (2003) calls for an increase in the breadth and sophistication of marketing research methods courses, and for the presence of such topics as database marketing, relationship marketing, and CRM in the marketing curricula in the Czech Republic. The website of the European Marketing Academy (EMAC) includes a teaching portal that recently identified the need for increased translation of marketing practice to marketing education in Poland, Hungary, and Slovenia. Clarke and Flaherty (2003) call for marketing educators to understand the level of local sophistication of marketing mix variables in newly emerging markets.

An analysis of marketing curricula in transitional markets should thus include a consideration of both the breadth and the depth of marketing curricula. In addition, specific indicators of marketing strategy

and marketing mix sophistication, such as degree of quantitative content and integration of technology, and the connection between theory and practice, should be addressed.

Alteration of the Role of Marketing in Society

Given the well-established relationship between marketing and external environmental factors, and the general sensitivity of marketing to environmental change, it is unsurprising that such factors are particularly important in transitional economies (Clarke & Flaherty 2003; Lauter 1971). Such factors as the political-legal environment (Priovolos 1998) and social responsibility (Lesakova 2003) are seen as important aspects of the marketing curricula in transitional economies. Given the general lack of environmental concern that was endemic to the Socialist economies (Kronenwetter 1991), the degree to which environmental responsibility is specifically addressed in marketing curricula becomes an important issue as well.

In addition, as the presence of marketing in the wider socio-cultural realm (e.g., increased prevalence of advertising and promotions, increased materialism and commercialism, etc.) increases, the degree to which these socio-cultural dimensions are addressed in marketing curricula becomes more interesting. The role of marketing as the interface between business organizations and the citizenry raises myriad issues regarding how marketing curricula address this factor.

In sum, this discussion has identified seven analytical dimensions of marketing curriculum content that are particularly relevant to transitional economy status:

- market-orientation
- relative importance of marketing and integration with other business disciplines
- breadth and depth of marketing content
- relationship between theory and practice
- quantitative content and integration of technology
- political, legal, and social/environmental responsibility issues
- socio-cultural dimensions

A "SECOND TRANSITION": EUROPEAN UNION MEMBERSHIP

There are eight countries that represent transitional economies *and* are current European Union members: Poland, Hungary, Czech Republic, Slovakia, Slovenia, Lithuania, Latvia, and Estonia. All became EU members in May 2004. For

purposes of this paper, these countries will be referred to as EUTES (European Union Transitional Economies).

Given their transitional economy status, the EUTES represent a special group within the EU. While a comprehensive discussion of the economic benefits of EU membership is beyond the scope of this paper, in sum, the EUTES are now able to take advantage of: duty-free trade among EU members, rigorous anti-trust and trademark laws, free movement of capital and labor, a common value-added tax, common agricultural and fisheries policies, and other aspects of economic and market integration. The EUTES are now part of a huge economic system that has been characterized as a "counterweight" or balancing force with U.S. economic power (Reid 2004).

However, EU membership for these countries represents more than just the removal of tariffs and access to wider competitive markets. EU membership also represents a symbolic acknowledgement of the progress that these countries have made toward market reforms.

Consequently, EU membership can be seen as a "second transition" for the EUTE countries. The new set of parameters within which business in general, and marketing in particular, is conducted in these countries creates a new context for marketing education. Based on the analytical dimensions discussed earlier, these parameters can be organized into three areas: marketing orientation, strategy, and marketing mix; external environment and social/environmental responsibility issues; and socio-cultural dimensions. In the following sections, propositions relating EU factors to transitional economy marketing curriculum dynamics will be developed for each of these areas.

Marketing Orientation, Strategy, & Marketing Mix

In becoming integrated into a "single market" of over 450 million people, EUTE organizations are faced with many new marketing challenges, and these challenges should be reflected in the marketing curricula of their higher-education institutions. Having instituted market-oriented reforms as a crucial aspect of transitioning from their Socialist orientations, the EUTES must now extend that market-orientation in order to deal strategically with the significantly increased market competition endemic to EU membership (Johansson 2005).

European Union membership has changed the dynamics of balancing localized versus pan-

European market segmentation strategies for EUTE organizations. Products and services, pricing, distribution, and integrated marketing communication decisions must now be made in the context of managing this balance. Marketing course content, in both theory and practice, must address the challenges of assessing pan-European consumer needs and implementing strategies developed therein. For example, market research efforts must address more sophisticated technology, and account for differences in language and receptivity to surveys (Dalgic 1992; Johansson 2005).

The following proposition reflects these dynamics:

P1: Marketing curricula in EUTE countries will demonstrate general enhancement and increased sophistication in the following dimensions:

- a. Market-orientation
- b. Relative importance of marketing and integration with other business disciplines
- c. Breadth and depth of marketing content
- d. Relationship between theory and practice
- e. Quantitative content and integration of technology

Political, Legal, and Social/Environmental Responsibility Issues

Organizations in EUTE countries also face new challenges regarding political and legal issues. They are subject to broad political dynamics and trade policy decisions that must account for and consider the interests of all EU countries (Gilbert 2003; Reid 2004). In addition, many specific EU laws directly and indirectly affect marketing operations. According to the official European Union website (europa.eu.int 2005), examples of such EU legislation include laws regarding economic and monetary affairs, external trade and customs, common organization of agricultural product markets, research and innovation, transportation, and communication.

Organizations in EUTES also face new challenges regarding social and environmental responsibility. Consumer protection is an important aspect of EU policy, with laws covering issues such as consumer security and privacy, consumer information, and the protection of consumers' economic and legal interests. Environmental issues are also well-established in EU policy and are particularly relevant to EUTES given their history of relatively lax environmental regulation. Indeed, the EUTES have passed national laws that implement the strict EU environmental directives, but significant challenges in both investment and bureaucracy remain (Burke 2004).

Given these necessary considerations of political, legal, and social/environmental responsibility, it should follow that:

P2: Marketing curricula in EUTE countries will demonstrate general enhancement and increased sophistication in:

- a. consideration of political and legal aspects of the external environment
- b. consideration of social and environmental responsibility

Socio-Cultural Dimensions

While much of the increase in the degree to which marketing became part of the socio-cultural dynamics of everyday life in the EUTEs came from their transition away from a socialist economy, EU membership should change the overall nature of the socio-cultural dimensions of marketing.

Commensurate with a trend toward pan-European products and services, advertising, and promotion (Johansson 2005), the pan-European nature of the socio-cultural dimensions of marketing should increase:

P3: Marketing curricula in EUTE countries will demonstrate increasing levels of integration of pan-European themes in their treatment of the socio-cultural dimensions of marketing.

SUBSEQUENT RESEARCH AGENDA ISSUES

This research is ultimately designed to investigate the historical evolution, the current status, and the implications for future development of marketing curricula in EUTEs. In addition to extending the time frame and longitudinality of the work, primary and secondary data will be collected to examine the propositions. Also, cross-national comparisons and contrasts within the EUTE countries will be addressed.

(References available upon request)