CREATING A MARKETING ANALYTICS PROGRAM

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This special session will discuss the design and implementation of marketing analytics curriculum and program development. Committed speakers represent experience creating courses, undergraduate minor, MBA specialization and graduate degree program. It will provide insights from the different perspectives of the participants involved in this process. This session is designed as a conversation about best practices and lessons.earned; as a work in progress, comments and suggestions are welcome in a discussion of this topic.

We are awash in data as never before in history and it is increasing at an ever increasing rate. In fact, 90 percent of the data in the world has been generated in the past two years (ScienceDaily 2013, May 22). Marketing data comes from both internal and external sources. Internally, it comes from customer sales records, from financial data, from transportation and distribution sources and storage data as well. Externally, marketing data can come from commercial sources such as marketing research firms and other firms that publish media statistics and consumer information. External sources can also include government-published data, trade association yearbooks as well as information from national and international organizations.

As much information as all of these sources produce on an ongoing basis, this does not figure in what is recorded from web tracking.   The number of hits, the time spent on web sites, key words, pages visited in addition to a lot of other information is tracked on a regular basis automatically by analytics software. In fact, so much information is collected on the web from consumers that privacy has become an issue (Tene & Polonetsky 2012).

The challenge for companies is to have marketing managers trained to analyze all of this data. Technology has increased exponentially the amount of data available, making analytics a vital tool for marketing strategy (Hauser 2007). From the point of view of business schools in general and marketing departments in particular, the challenge is to find and adequately equip students to meet this challenge (Schlee & Harich 2010).

Use of Marketing Metrics to Justify Marketing Expenditures

Marketing students are in general great at coming up with creative ideas, but they are not as good at justifying them. They may have learned about marketing strategies revolving around price, product, placement and promotion, but companies are increasingly interesting in measuring these processes to understand what is working and what should be changed. The famous quote by department store merchant John Wanamaker in the nineteenth century, "Half the money I spend on advertising is wasted; the trouble is I don't know which half," could be applied to any area of marketing effort. Pricing, sales, promotions and advertising all have costs and benefits that can be assessed by the appropriate marketing metrics.

Use of Marketing Metrics to Communicate

Using marketing metrics to determine which marketing efforts are working also helps greatly in communication. Marketing metrics provides a common language to talk to other departments in a firm such as accounting and finance that are already used to such metrics. Some marketing metrics, such as return on investment, are from other fields such as finance. Also, entrepreneurs use these same metrics to speak to outside investors about whether projects are worth the time and money.

The Challenge of a Marketing Analytics Curriculum

The challenge for marketing departments is to create marketing analytics courses and programs that serve the needs of two different stakeholders: the existing student population extant as well as potential employers of graduates of the business school. The math involved in marketing metrics is probably the most salient problem. Traditionally, one of the biggest hurdles instructors face in marketing research has been the challenge of understanding basic statistics and quantitative analysis skills. Marketing analytics courses are even more quantitative, which can mean less happy students and instructors, especially given that marketing students tend to be less math-oriented. In marketing metrics courses, students learn to quantify the concepts and strategies they have learned throughout their various marketing courses. This involves a whole different set of skills than may be involved in basic marketing, consumer behavior, or even in marketing research. Mastering the material and knowing how to use it means crunching numbers. Student confidence in their ability to use marketing metrics can be improved by innovative techniques in a course (Pilling, Rigdon, & Brightman 2012).

Another challenge in marketing metrics is the lack of course material. There are good books filled with important marketing metrics, but these are either reference books or popular titles. They often do not have a coherent framework that ties these metrics together in a way that is easy for marketing students to understand. In fact, there is no agreement on what should be in a marketing metrics course (Uncles 2005). More importantly, there is a lack of homework problem sets that could provide practice in using the metrics. Students learn to use marketing metrics in a slightly different way than they do the more qualitative content in other marketing courses. Repetition and application of the equations in different contexts, helps students to learn how to use them.

In this special session, David Ackerman will discuss the challenges and insights provided by the first semester of an undergraduate marketing metrics course. Debi Cours will discuss industry trends in the MBA and Specialized Masters and development of an MS in Marketing Analytics. {Kristen Walker will discuss the development an launch of an undergraduate minor in interactive marketing.]

References

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