

NAFTA AND U.S. BUSINESS STUDENTS: THE ROLE OF MARKETING EDUCATORS

Nathan D. Kling, University of Northern Colorado, Greeley, CO 80639 (303-351-2366)
Joe F. Alexander, University of Northern Colorado, Greeley, CO 80639 (303-351-2764)
Denny E. McCorkle, University of Northern Colorado, Greeley, CO 80639 (303-351-2764)
Memo F. Diriker, Salisbury State University, Salisbury, MD 21801 (410-543-6315)

ABSTRACT

The initiation of the North American Free Trade Agreement (NAFTA) by Canada, Mexico and the U.S. in January, 1994, represents an unparalleled opportunity for U.S. marketers. Over time, the agreement will grant tariff-free access to all pact markets. To be successful in the new trade environment, U.S. marketers must be prepared to deal with the modified rules of trade specified by the agreement. Furthermore, they must be prepared to make the appropriate adjustments in their marketing mix to accommodate the cultural as well as infrastructure differences they will encounter in these markets, particularly in the Mexican market. In this paper the authors: (1) briefly review major provisions of the NAFTA agreement, (2) examine some of the major cultural adjustments that marketing executives will need to make as they move into Mexico, and (3) offer a variety of options for integrating NAFTA into a business program.

Educating Marketers on NAFTA

NAFTA is a diverse and complex instrument which significantly alters the U.S. marketing climate. Educators and corporate trainers must prepare managers to function effectively in the rapidly growing NAFTA trade area. Americans will find many differences in how business should be conducted, especially in Mexico with its Latin culture and large Mestizo population. There are increasing concerns, however, that trade efforts will out-pace mutual understanding of each other's cultures, resulting in long-term negative consequences. Some of the differences that U.S. marketers might expect to find can be grouped into the following categories: (1) the Mexican consumer market, (2) the higher level of economic concentration, (3) management/decision-making style, (4) legal system, and (5) the role of government. Differences between the U.S. and Canada are much less extreme.

Recommendations for Marketing Educators

As NAFTA provisions and policies are phased in, U.S. companies will continue their entry into the developing Mexican market. Universities and colleges that want to provide the best opportunities for their students must quickly take NAFTA beyond an occasional in-class reference to a broader and more integrated approach. There are a number of paths a school may choose to follow in incorporating NAFTA into their programs, including: (1) curriculum modification, (2) exchange programs for faculty/students, (3) cross-border collaboration between researchers, and (4) professional assistance in the form of consulting and/or database support, including the potential establishment of a NAFTA Center.

Discussion and Conclusions

Many of our current marketing students will begin in entry-level jobs where their success or failure will depend upon the extent to which they are able to navigate the rapidly changing "free trade" arena. As a document, NAFTA can do little more than set forth policy and a time line. The real challenge for marketing educators lies in our ability to provide our students with insight into the myriad differences inherent in each of the cultures we attempt to transverse.

Although the options suggested in this paper may not accomplish all of what is needed, each represents a valid method for moving marketing educators in the right direction. Sooner or later, all business programs will devote significant amounts of their resources and curriculum to international education—including NAFTA. The U.S. programs that begin integrating NAFTA now, even in moderate amounts, will sooner begin providing their students with the skills and mindsets necessary to succeed in the new arena.