

POSITIONING THE BUSINESS SCHOOL THRU THE 1980'S

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Historical Development

American business education can be traced back as far as the early nineteenth Century in the form of private business colleges and trade schools teaching the basics of bookkeeping, arithmetic and commercial law.¹

However, what we today know as business schools are typically dated from the establishment of the Wharton School in 1881. The early programs such as that at the Wharton School were decidedly liberal in nature. "Higher education for business thus began in considerable part as a means for educating gentlemen. It was to provide more character development than vocational training, to emphasize moral and intellectual training, but not lead directly to a career."²

The demands of rapidly expanding industry around the turn of the century led to a rapid expansion of both business schools and accompanying business literature. In the forefront of much of this growth was the preserve to professionalize the accounting function.

Much of the growth and popularity of business schools during this period was attributed to their tendency toward more and more narrowly specialized course offerings, moving away from their liberal arts underpinnings and toward the practical. Emphasis was placed upon entry-level skill development rather than concern for longer-range administrative and management skills. This pragmatic orientation, coupled with the relatively low cost of producing business school graduates (versus such schools as engineering and medicine) triggered a rapid rise in business school student enrollments.³ The business school moved toward the profession to a degree that it was difficult to distinguish whether faculty were teachers or businessmen.

The tremendous growth of business schools between World War I and II has been attributed in large part to the "bureaucratization of American business." The nineteen-twenties also witnessed attempts to broaden the functional business perspective of students in production, marketing and finance, and give added consideration to managerial consideration. These attempts were, in general, thwarted as students continued their rush into increased specialization within their various majors.⁴

The nineteen-thirties were a period in which emphasis on analytical methods began to replace the descriptive techniques of the previous period. However, the depression economy acted as a barrier to such change, creating a job market where functional specialization was still the preferred hiring criteria.⁵

With the end of World War II came enormous growth in business school enrollments. Enrollments in business schools peaked in 1947, and in 1950, more than 76,000 baccalaureate degrees in business were awarded.

A student body comprised increasingly of older, more mature students put pressure on administrators to heighten the true educational value and long-run benefits of a business degree.⁶

The Foundation Report Era

A period of criticism of business education reached a peak in the late 1950's, with the publication of two independent, comprehensive and highly critical Foundation studies of business schools.⁷ Gordon and Howell criticized the business school core courses for being overly descriptive and lacking in both the use of analytical techniques and focus on managerial problem solving. Gordon and Howell argued strongly against both the imbalance between undergraduate and graduate emphasis, and the over-specialized nature of the undergraduate business programs examined. Indeed, Gordon and Howell suggested that specialization be postponed to the graduate level, relying on work experience and training to provide much of the technical and specialized training increasingly needed by business and industry.⁸

The high student/faculty teaching ratios, heavy teaching loads, and minimal support services characteristic of most business school programs of the time, had resulted in many curriculum programs of dubious quality. Interestingly, these concerns, expressed over twenty years ago, as well as 1960 forecasts of increasing faculty shortages in future years, largely echo the concerns of today's business school administrators.

Pierson's evaluation of the present state of business schools was in close agreement with that of Gordon and Howell. Of foremost concern to Pierson was the questionable quality of students enrolled in business schools, suggesting that much of the current content of business education was not appropriate for university level study and should be shifted back to trade schools and community colleges.⁹

"The Rise of The New Vocationalism"

The decade of the 1960's saw the movement of the business school temporarily away from the profession toward the academy. Much of this shift in orientation can be traced directly to the criticism of the foundation reports, but must also in part be credited to the more liberal attitudes developing on most campuses during the first full-scale assault of the baby boom generation. Enrollments grew not only in business schools but in nearly all sectors of the university, removing most disciplines from the pressures of "labor market relevance." Indeed, by the end of the decade the concerns regarding overemphasis on vocational concerns had been replaced by criticism that business programs were becoming too esoteric and theoretical.

The fact that business schools were largely unaffected by the cries for relevance on campus during the late 1960's can, in retrospect, be seen as a evidence of their fortuitous positioning for the emergence of has been labeled as the "new vocationalism"; the decade of the 1970's. The most notable shift toward business undergraduate enrollments lagged several years behind the expansion of MBA enrollments. Business degrees at both the undergraduate and graduate levels grew dramatically in both absolute and relative terms during the period 1962 - 1980.

During the early 1970's, a number of business schools (primarily larger state universities) began developing highly specialized "career tract" programs within each

functional discipline. Such specialized curricula were generally popularly received by both students seeking an advantage in the job market and by faculty feeling increased professional pressure to further specialize both their teaching and research activities within rapidly expanding functional areas. Indeed, the technologically inspired trend toward functional specialization became one of the major legacies of the business schools of the 1970's.

Internal Changes in the Business School - The 1970's

With the phenomenal growth of business schools during the last decade came a number of internal problems. Growth brought a change in the composition as well as size of business school student populations. Business schools began attracting increasing numbers of quality students from across campus (both male and female).

The growth of the 1970's also strained faculty resources to the limit. As student enrollments grew dramatically, the supply of business professors (especially new doctorates) fell off substantially. This mismatch of supply and demand (which has become even more acute in the 1980's) in turn led to an overreliance at many business schools on part-time lecturers, increased class sizes, and created concern over controlling the quality of program output.

Curriculum Issues of the 1980's

I. HOW MUCH SPECIALIZATION IS DESIRABLE AT THE UNDERGRADUATE AND GRADUATE LEVEL?

While much of industry bemoans the lack of generalist skills among their new hires, they continue to select entry level job applicants to a large extent on the basis of their technical specialization. This emphasis has not gone unnoticed by either university students or university administrators.

While many deans (business as well as liberal arts) would prefer to moderate the trend toward curricula specialization, pressures from business faculty (increasingly specialized themselves) and students (seeking an edge in today's highly competitive job markets) have resulted in yet further calls for career-oriented, highly-specialized programs. The conflict between liberal and specialized orientations in the future will prove to be even greater.

II. HOW DOES A LIBERAL EDUCATION FIT INTO THE NEW VOCATIONALISM?

While many both on and off campus continue to attack university curricula for not providing enough exposure in the liberal arts, what in fact they are lamenting is the erosion of student competence in skill areas such as oral and written communication, analytical thinking and interpersonal development. Since such skills were historically the byproduct of a good liberal arts education, many have called for the reinstatement of more liberal arts courses in business school curricula. However, just as any subject matter can be taught liberally, so can communication skills and analytical abilities be sharpened outside the context of a liberal arts curriculum. Indeed, if these skills alone are considered as the only valuable byproduct of liberal arts programs, they may be more efficiently developed elsewhere on campus (speech communication, business writing, or management science as examples). The recent trend toward offering business writing courses within the curriculum of the business

school may be interpreted as an attempt to more efficiently provide business students with liberal arts "skills."

III. CAN UNIVERSITIES TEACH THE SKILLS BUSINESS IS DEMANDING?

A corollary issue concerns whether or not a university is an appropriate or the most effective place to teach certain skills desired by business. It has been argued, for example, that universities are not well situated either in terms of physical constraints or more importantly psychological barriers to teach students about the "real world of business." Lacking both the latest in business equipment, and staffed primarily with faculty devoid of significant managerial experience, universities have been criticized for even attempting to provide on-the-job type experiences for their students.

Cooperative education and internship programs have been pointed to as the most realistic mechanism for providing "real world" experience. To the extent that business schools continue to evolve into professional schools, they may find the medical school model insightful for establishing more systematic and rigorous internship requirements.

POSITIONING THE BUSINESS SCHOOL OF THE 1980'S

Market Saturation for Business Graduates

Signs of market saturation levels being reached (especially for MBA's) have been noted over recent years.¹⁰ This saturation has in part been due to the tremendous growth in the number of degrees being awarded by business schools cited earlier, along with a general disillusionment with the product of many of these programs.

While some dissatisfaction has been expressed with technical, or more commonly, general business competence, much of the criticism stems from what employers perceive to be unreasonable expectation concerning early job responsibilities and rapid career advancement. Coupled with high initial salary demands and a view toward managing their own careers not the company's business, MBA's have clearly fallen out of favor with many employers.

Current recessionary pressures have exacerbated these trends to the point where even some graduates from the "top ten" business schools are finding job hunting serious business.¹¹

Development of a Three-Tiered Structure

Current market forces, combined with technology's persistent pressure toward increased function specialization, have resulted in the emergence of a three-tiered structure for business schools.

The top tier of business schools will likely remain essential as they are, catering to the needs of primarily the Fortune 500 to train future top executives. Of the nearly five-hundred business graduate programs in existence, as few as ten to twenty in number (most of them private) will continue in this role. These schools will continue to disclaim undergraduate education in favor of high quality, liberally-laced professional orientations.

A second-level tier of business schools is presently evolving, primarily among the better-known public

universities and selected private universities, which have developed extensively specialized graduate business programs. In some of these schools Master of Science programs in functional areas such as Accounting, Finance, Marketing, etc., have arisen to challenge the conventional supremacy of the MBA.

In addition, functional specialization has been combined with industry specialization to create hybrid programs such as Marketing of the Arts, Health Care Marketing, etc. Graduate level specialties such as these have arisen at these universities, in part, as positioning strategies, aimed at countering the prestige of the top-tier schools, with greater marketplace application.

Currently, graduates of these specialized programs are enjoying marked success in securing initial employment within their specialties. It remains to be seen if this high level of market segmentation will prove attractive into the future as these graduates move up on their career ladder, and as traditional MBA's begin to compete more directly with them across presently less developed areas of business application (such as the nonprofit sector).

The third-tier of business schools, comprised of the remaining seventy-five percent of business programs, will be markedly undergraduate in orientation, while remaining heterogeneous with regard to quality and curricula. This tier will include most of the state universities, and smaller private and religiously-affiliated colleges. Presently, a number of the larger state universities in this category have undergraduate enrollments in business in excess of five thousand students. Their MBA programs are usually of moderate size and are clearly ancillary to their undergraduate focus.

Many of these large undergraduate universities are fully accredited by the AACSB (at both levels) and provide extensive career-oriented specialization for their students. Their curricula are primarily focused on providing sound entry-level skills, in the traditional departmentalized mode. Further, their programs tend to have a distinctly local, or at best regional orientation, in many cases utilizing cooperative-type programs to build specific links to industry job markets.

Many of the lesser schools within this third-tier were begun or enlarged primarily in response to enrollment losses elsewhere on campus, and possess neither the quality of faculty or curricula specialization to compete effectively with tier-two schools over the decade of the 1980's.

A substantial number of these business programs will likely become victims of a consolidation of business schools over the remainder of the decade. Others will survive by indentifying a specific mission, and tying themselves increasingly closely to their local business community.

The business schools in these three tiers are not pure forms, and while business schools have long served different markets, the degree to which the public and business will become aware of this three-tier typology will accelerate. This heightened awareness of strata will in turn crystalize the positions of existing business schools and lead to a concomitant need for yet further nichemanship and positioning.

Conclusion

Marketing departments need to play a key role in the development of these positioning strategies, not merely through the development of their own internal curricula, but more importantly in initiating school-level dialogues concerning the appropriate position of the entire business school.

The degree to which any given school's "position" shifts toward the liberal or the vocational over the coming years should be based on a careful analysis of market trends, competitive analysis and an internal resource audit.

In this context, (i.e., strategic planning, market segmentation, positioning, etc.) the chance to practice what we preach should not be ignored.

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DIFFERENTIATING INTRODUCTORY MARKETING FOR NONBUSINESS MAJORS

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ABSTRACT

This paper presents a conceptual framework and supporting rationale for differentiating the introductory marketing course for nonbusiness majors. Its two main purposes are to (1) present the case for differentiating the introductory course as part of a response to the potential of segmenting the audience served by the course; and (2) consider some limitations of the nearly universal acceptance of managerial approaches and single basic course offerings at the introductory course level in marketing.

COURSE BACKGROUND, PREREQUISITES AND AIMS

The introductory marketing course is usually offered at the upper-division or junior level in four-year institutions. Few prerequisites are made explicit, but business majors will commonly have completed a pre-business curriculum that includes one or more courses in economics, accounting and management as well as supporting work in quantitative subjects and the behavioral sciences. Nonbusiness majors typically have relatively little exposure to such marketing-related courses, except for general college or university requirements in quantitative subjects and the behavioral sciences. They may also have rather different interests, educational needs and expectations regarding future uses of marketing concepts and methods. Selected comparisons of both groups are shown in Figure 1.

The primary aims of the introductory marketing course appear generally to be as follows:

1. Provide fundamental knowledge of marketing as the process of analyzing, influencing and managing market exchange transactions, relationships and organizations.
2. Introduce students to marketing methods and techniques that will aid them in preparing for future employment in business.
3. Help students develop conceptual and analytical skills which will be useful in completing further courses in business administration.
4. Develop an understanding of the relationships between marketing and other management disciplines as well as the understanding of marketing as part of a college education in business administration.

It is almost axiomatic for these aims to be interpreted as being best represented in the teaching of managerial and micro perspectives in marketing. On the contemporary educational scene, managerial approaches to the study of marketing dominate the teaching and learning process from the introductory course all the way through the capstone case/policy course for marketing majors.

The appeal of managerial approaches to the study of marketing can be explained largely in terms of their focus on practicality, problem solving and decision making. These features capture the essence of the main tasks and responsibilities of managers in business firms. But as noted below there are some limitations in their exclusive application at the first course level.

FIGURE 1
COURSE-RELATED BACKGROUND CHARACTERISTICS
OF INTRODUCTORY MARKETING STUDENTS

Characteristics	Business Majors	Nonbusiness Majors
Completion of Pre-Business Courses	Accounting Economics Computer Programming Management	Usually none
Specific Prerequisites	Junior standing, admission to the business program and at least one course in economics	Junior standing
Completion of Cognate Courses	Most will have completed one or more courses in finance and other upper-division business courses	Usually none, except for students in communications and arts and sciences majors with an interest in economics
Basis for Selecting the Course	Mostly as a business program requirement	Mostly as a program requirement in communications; or as a business elective for nonmajors
Subject Interest; Relevance to Expected Future Employment	General orientation as to future job prospects; some focus on first job preparation	Except for communications students, less likely to know expected area of future employment; generally less focus on first job preparation
A FUNDAMENTAL QUESTION FOR MARKETING EDUCATION: SHOULD THERE BE JUST ONE INTRODUCTORY COURSE FOR ALL?		

Despite the acknowledged popularity and success of managerial approaches to the study of marketing over the past thirty years, they have some important limitations. First, as observed by Kramer (1972) "in order to fully perceive complex marketing subjects we must not approach them from a single viewpoint but should allow for the application of several approaches." This brings to mind that marketing is both a managerial and social process as well as an interdisciplinary field of study. As such it extends beyond the boundaries of marketing management. A micro-managerial bias to the study of marketing may omit or obscure a number of important topics. Thus, topics such as market structure and the external effects of consumption decisions as well as a host of macromarketing and public policy issues such as distribution costs, advertiser support of mass media and efficiency in the marketing system may be crowded out in the quest to acquaint beginning students with the successful and unsuccessful marketing efforts of various firms and industries. Further, the gains from illustrating basic principles that underlie observed behavior in the marketplace may be sacrificed for more "realism" and ad hoc examples of marketing practices. There also tends to be an underemphasis of students' current and future roles as consumers and citizens who will be expected to help decide a wide range of public policy issues affecting the marketplace. To a considerable extent, then, heavy reliance on managerial marketing at the first course level may detract from the educational value of introductory marketing. To use an analogy: just as introductory economics is not taught to help the student become an economist, there is a place in teaching introductory marketing for reasons other than to help students become marketers.

Several alternatives should be considered.¹ Functional and systems approaches provide a broader context for marketing analysis. But current and effectively written textbooks which use these approaches are extremely hard to find. Consumer and societal perspectives also offer a potentially challenging focus for the introductory course targeted for nonbusiness majors, especially. Of course the textbook situation does not improve much in a move in that direction either. Whatever the label, nonbusiness majors should be helped to learn how to learn and analyze exchange relationships in both a micro and macro context. With a more balanced treatment of micro and macro aspects of marketing, students would be helped to understand some of the ways in which consumers are ill-informed, misinformed and as a consequence, exhibit a tendency to oversimplify choices and decisions in the marketplace. Using broader, comparative and behavioral views of the subject, its entire scope and importance can be presented more accurately than often occurs in the present emphasis on managerial and micro views of the marketing world.

RATIONALE FOR COURSE DIFFERENTIATION

In addition to the limitations which may be identified with the dominant managerial approaches, there are a number of other factors which support efforts to differentiate the introductory marketing course for nonbusiness majors. For the sake of brevity, several are summarized in Figure 2. In the marketing education literature, theoretical as well as empirical support for differentiation

¹The helpful comments of the reviewers are acknowledged with special thanks in connection with the portion of the paper devoted to alternatives and responses to student educational needs.

FIGURE 2
DIFFERENTIATING INTRODUCTORY MARKETING:
SUGGESTED RATIONALE AND RESPONSES

RATIONALE	RESPONSES IN MARKETING EDUCATION
1. Recognition of Student Differences	Determination of the extent of differences in courses of study, expectations in the course, subject matter interests and career objectives.
2. Consideration of Student Needs	Periodic student needs assessment; segmentation in teaching strategies; expanded effort to serve different student audiences. Included here could be consultation with faculty from areas served by the course for non-business majors.
3. Broadening of the Boundaries of Marketing	Expansion of marketing into the public and nonprofit sectors; acquainting students with the influence of marketing outside the traditional areas of commerce and for-profit applications.
4. Exploration of the Academic Substance of Marketing in Areas Beyond Management and Micro-Perspectives	Social and behavioral aspects can be emphasized along with the methods and technology of marketing practice; impact of marketing on society; socialization and public policy aspects of marketing; efficiency and other macro marketing issues.
5. Application of a Marketing Orientation to the Design of the Marketing Curriculum	Matching the marketing course as a curriculum "product" to two or more student segments; doing a better job of marketing marketing to different groups of students.
6. Expanded Contribution to the Service Mission of the College or University	Adapting course content to respond to the needs of such areas as communications, pre-professional areas in forestry, pharmacy and related fields as well as in arts and sciences generally.

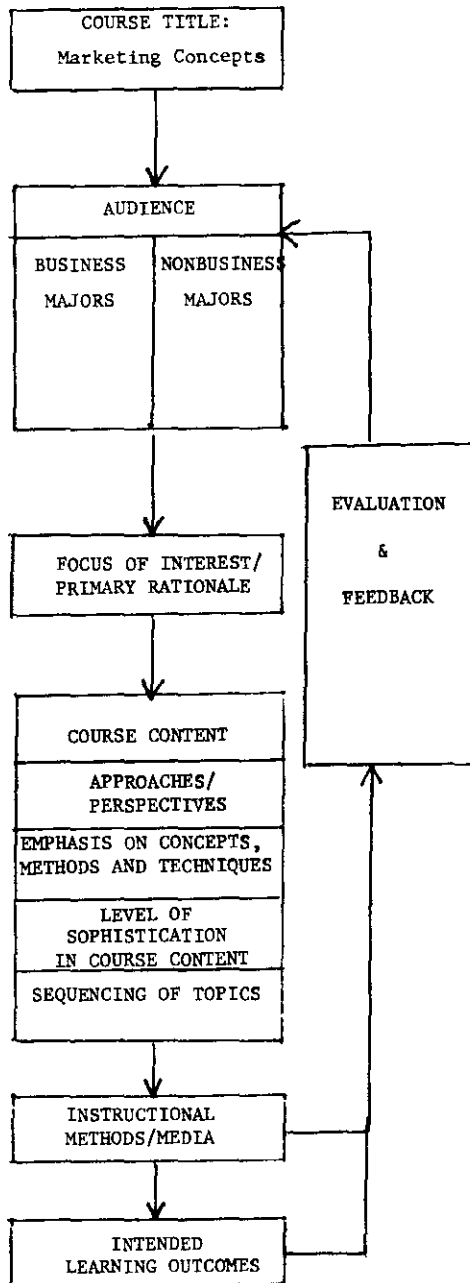
has also been presented in the work of Dwyer (1977, 1982) and in Laric and Tucker (1982).

CONCEPTUAL FRAMEWORK AND GUIDELINES FOR COURSE DIFFERENTIATION

In addition to the literature in marketing education, the work of Posner and Rudnitsky (1982) has been used in formulating the conceptual framework and guidelines that are presented. The fundamental steps in course design are illustrated in Figure 3.

Audience characteristics, needs and interests provide the foundation upon which the differentiating process is designed and implemented. Some of the background considerations were summarized earlier in Figure 1. Of course they should be made institution- and group-specific in the actual course design process.

FIGURE 3
CONCEPTUAL FRAMEWORK FOR
DIFFERENTIATING INTRODUCTORY MARKETING



The fairly eclectic and conceptual approach of Nickels (1982) is currently preferred as a textbook for the course for nonbusiness majors taught by the author. Previously, the integrated approach of McDaniels (1979) and the shorter, applied-management-methods orientation of Boone and Kurtz (1980) have been used. But the search is continuing for a textbook that serves an even wider range of student interests among nonbusiness majors.

Determining the proper emphasis on the concepts, methods and techniques of marketing can be guided by the types of analysis reported in Dwyer (1982). The small sample of nonbusiness majors (12 of 53) indicated an importance ranking of topics as being of greater importance to them than to 41 of 53 business majors. Included were consumer motivation and decision making, evaluation of advertising, market structure and problem recognition. About the same importance ranking as business majors was indicated for branding strategies, distribution channels and research techniques of experimentation. Nonbusiness majors expressed as being of lesser importance than business majors all of the remaining topics commonly covered in the basic course. These findings suggest clearly the need for more extensive use of such comparative analyses in differentiating the introductory marketing course.

CONCLUSIONS

Formal, systematic and sustained efforts are needed to properly design and appropriately differentiate the introductory marketing course for nonbusiness majors. A framework that highlights various aspects of the course design process has been proposed. Appropriate rationale for differentiating the course along with the recognition of some of the background characteristics of nonbusiness majors were presented. Educational rationale as well as some limited evidence were provided in support of the case for differentiating the introductory course for nonbusiness majors. As the proposed framework is more extensively developed and used, impressions and personal preferences of marketing teachers can be replaced with information and personal preferences of beginning marketing students. When considered along with the content that is of interest to faculty in areas served by the course outside the business program, the process will yield a sounder basis for course as well as curriculum design than we generally employ at the basic course level.

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A NORMATIVE MODEL FOR TEACHING PRINCIPLES OF SELLING

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In the past decade, the demand for sales-oriented graduates with formal college instruction in selling has been insatiable. With the advent of the information revolution and the concomitant explosion of high-technology products in such fields as computers, communications, health care and robotics, industries' appetite for well-educated, highly professional salespeople will continue to grow. Compounding the situation is the increasing technological complexity of these products which is requiring firms to devote an inordinate amount of time to training new sales personnel in product knowledge. Consequently, firms have less time available to spend formally developing and refining the selling skills of their salespeople.

In response to this need, college-level courses in sales have become increasingly more popular. The growth of college instruction in selling is documented in a recent study by Johnson (1982). A survey of 207 business schools and departments taken from the Membership Directory of the American Assembly of Collegiate Schools of Business (AACSB) highlighted several important findings. A sales course is being offered in the undergraduate marketing programs of 53.1% of the schools responding to the survey. Approximately one-third of those institutions currently not offering a sales course are planning to offer a course in selling within the next two years.

INSTRUCTIONAL PROBLEMS IN UNDERGRADUATE SALES COURSES

While the apparent response of academia to the marketplace is quite encouraging, there remains some inherently serious problems in teaching Principles of Selling. One such problem is the lack of agreement among academicians as to what subject areas should be covered, and which areas should be emphasized most heavily in the course. Some instructors emphasize the behavioral side by spending considerable time in explaining the practical application to selling of such theories as self-concept, personality, motivation, communication and buyer behavior. If they favor the behavioral approach, they may also devote their efforts to developing students' interpersonal skills in listening, body language (kinesics) and vocal qualities (metacommunication). Conversely, other instructors may emphasize the technical side of selling by concentrating on teaching the selling process from prospecting to closing and customer follow-up. Skill development in each phase of the selling process should always be a major part of Principles of Selling.

Divergent approaches to teaching any course, especially a sales course, are inevitable and quite healthy for both students and instructors. However, they can become dysfunctional and hamper student learning when the differences become extreme. For example, instructors who spend 80-90% of the course teaching the behavioral material and who almost completely ignore the technical side of selling or vice versa are doing a tremendous disservice to their students. It seems that instructors' gravitation to either the behavioral or technical selling side is a function of their educational background, work experience, and their own personal attitudes and perceptions of providing college level instruction in selling and the whole selling profession.

The problem of instructors' different proclivities to teaching a sales course manifests itself in the use of part-time faculty. Because of department heads' decreased control over part-time instructors, a sales course can take on unusual dimensions. Although most evaluations of part-time instructors are very high, the variability in their approaches to teaching a sales course can create some unique problems. Negative student feedback includes complaints such as the sales course was more like Psychology 101 or that the students were never given the opportunity to do oral sales presentations in class before the camera. While the complaints tend to be more about instructors who overkill the behavioral aspects of selling, students have complained also about instructors' failure to help them develop a rich understanding and appreciation of buyers roles, needs and motives.

In addition to the lack of consensus among marketing instructors on the best mix of subject areas for a sales course, profound disagreement exists between academicians and practitioners as to the relevant importance of those subject areas. In a recent study, 331 sales managers ranked the five most important subject areas for a sales course to be: time management, self motivation, communications, planning sales calls and handling objections. A similar survey of 207 professors and instructors had these same topics ranked ninth, tenth, sixth, fifth and second respectively. The complete results of both surveys are presented in Table I (Johnson 1982).

The purpose of this paper is to proffer a normative model which serves as a conceptual framework for teaching Principles of Selling. The model attempts to prescribe the optimal mix of subject areas, the depth of coverage, and a number of teaching tools and techniques for providing students with the necessary level of knowledge and skill development in each area.

COURSE CONTENT BY SUBJECT AREAS

In designing an optimal course outline, the underlying premise is that students need to be given a proper balance of interpersonal/communication skills and technical selling skills. Using Dr. Anthony Alessandra's analogy of a bicycle, the primary function of the rear wheel is to push or to propel the bicycle forward while the front wheel is designed to steer or to guide it. In selling, the technical skills of prospecting, precall planning, etc., provide the impetus while the interpersonal skills provide the direction in buyer-seller interactions. Salespeople with strong technical selling skills are often unsuccessful if they are incapable of communicating effectively with prospects, or if they are insensitive to their clients' needs and preferences. Interpersonal skills are vital but without expertise in the technical side of selling, even the most articulate and sensitive salesperson will enjoy little success.

Because knowledge and skill development in each area is critical for professional salespeople, both need to be covered extensively in Principles of Selling. The proper balance between the two areas seems to be approximately two-thirds technical selling process and one-third interpersonal-communication process.

Figure 1 presents a complete outline of 22 subject areas which should be covered ideally in Principles of Selling. The topics are presented in a logical order around which instructors could organize their courses. Subheadings highlighting key points of certain subject areas are provided in order to clarify the domain of these areas. For example, the first subject is Demands on the Contemporary Salesperson. For this topic, instructors should discuss salespeople's roles as profit managers of their territories, and their problem-solving roles as client-oriented change agents. In addition, the importance of professionalism in selling should be stressed along with the increasing skill and knowledge demands placed on salespeople.

The second topic, Selling and Its Role in the Marketing Mix, is covered typically in virtually all sales textbooks in a similar fashion. Consequently, the domain and topical material of this traditional subject area is relatively self-explanatory. The same decision rule was used throughout Figure 1. In Figure 2, the 22 subject area outline has been expanded to show both the prescribed number of classes which should be devoted to each subject area and a set of time-tested instructional tools. The class-allocation guidelines provide a coverage-weighting plan developed from Johnson's research, and the authors' subjective evaluation based on their teaching experiences, sales managerial experiences and interviews with sales executives. Subject areas three through ten, which have fourteen classes allocated to them, comprise the behavioral portion of the course. The technical selling side, which has twenty-three classes allotted to it, consists of the first and second subject areas plus eleven through twenty. The remaining eight class meetings would be spent on testing and oral sales presentations.

The instructional tools prescribed in Figure 2 for each subject area were developed from years of pretesting, using them in both the classroom and sales training programs, and annual pruning and updating of all course materials. Research shows that sales instructors ranked lecture/discussion first and role playing second as their preferred instructional techniques. Films, videotapes, records and audiotapes were rated at the bottom of most instructors' rankings of instructional techniques (Johnson 1982). Given the adage that "a picture is worth a thousand words," and the strong enduring impact of the visual message, it appears that many instructors are missing an excellent opportunity to increase student learning.

ASSUMPTIONS OF THE MODEL

The guidelines presented for teaching Principles of Selling were based on several assumptions. These include:

1. The introductory sales course is a 300 level full semester course which has 45 meetings of 50 minutes duration.
2. Students are being groomed for industrial sales positions as opposed to over-the-counter and door-to-door sales careers.
3. Maximum student enrollment is 25 in the class.
4. Audio-visual equipment is available and an appropriately designed classroom is close to the equipment center.
5. Instructor is willing and able to tape oral sales presentations outside of the scheduled classroom time.

CONCLUSION

In response to the needs of industry, college-level instruction of personal selling has become quite popular in the last few years. However, the lack of consistency in both the content and the instructional techniques used in the course has created a number of problems in the way in which introductory sales courses are being taught. To help alleviate the problems, a normative model for teaching Principles of Selling was presented. The model attempted to outline the major subject areas and the appropriate length of coverage, and to suggest teaching tools which have worked effectively in the classroom. If the model helps make the instruction of personal selling more enlightening and entertaining for students, it has served a useful purpose.

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TABLE I
CONTENT OF SALES COURSE

Topic	Sales Managers' Ranking	College Professors' Ranking
Time Management	1	9
Self-motivation	2	10
Communications	3	6
Planning sales calls	4	5
Handling objections	5	2
Professionalism in selling	6	11
Closing techniques	7	4
Understanding buyer behavior	8	1
Sales presentations and demonstrations	9	3
Routing and territory management	10	14
Prospecting	11	8
Sales training	12	12
Career opportunities in selling	13	13
Environment of selling	14	15
Approach	15	7
Rewards of selling	16	16

FIGURE I
CONTENT OUTLINE OF SUBJECT AREAS

- I. The Role of Personal Selling in the Firm
 - A. Demands on the Contemporary Salesperson
 1. Territorial profit manager.
 2. Salesperson as a problem solver and change agent.
 3. Professionalism.
 4. Skills and knowledge needed for success.
 5. "Uniqueness" of the position.
 - B. Selling and Its Role in the Marketing Mix
- II. The Interpersonal-Communication Process: Contributions to Selling From the Behavioral Sciences
 - A. The Dynamics of Buyer-Seller Interactions
 1. Dyadic-interaction theory.
 2. Interpersonal-attraction theory.
 3. Expectation levels and role consensus.

4. Attending to visual, vocal and verbal messages.
 - B. A Model of the Interpersonal Communication Process
 - C. Models of Buyer Behavior
 - D. Buyer-Seller Interactive Approaches
 1. Stimulus-response model.
 2. Formula approach.
 3. Brewster's formula.
 4. Need Satisfaction model.
 - E. A Model of Behavioral Styles
 1. Assertiveness and responsiveness.
 2. Driver, expressive, analytical, amiable-needs, pace and priority preferences.
 3. Behavioral versatility.
- III. Interpersonal-Communication Skills Development
- A. Increasing Listening Efficiency
 - B. Reading Body Language and Proxemics
 - C. Understanding Vocal Qualities and Changes in Vocal Patterns
- IV. The Technical Selling Process
- A. Using Product Knowledge Effectively
 1. Features, benefits and competitive differential advantages.
 2. Developing buyer-tailored sales proposals.
 - B. The Pre-call Planning Strategy
 1. The planning process.
 2. Planning account-influencing strategies.
 3. Planning interpersonal-influencing strategies.
 - C. Prospecting
 - D. The Approach and Opening the Sales Call
 1. Methods of gaining entree to prospects.
 2. First Impressions.
 3. Rapport building.
 4. Probing.
 - E. Oral Sales Presentations and Demonstrations to Individual Buyers and Buying Committees
 1. Criteria for effective presentations.
 2. Visual aids.
 3. Selling buying committees.
 - F. Handling Objections (Managing Sales Resistance)
 - G. Closing the Sale
 - H. Effective Follow-up
- V. Additional Skill Requirements for Successful Salespeople
- A. Telephone Selling
 - B. Time Management
- VI. Miscellaneous Subject Areas
- A. Professionalism and Ethics in Sales Careers
 - B. Sales Force Management

FIGURE II
DEPTH OF COVERAGE AND INSTRUCTIONAL TOOLS

<u>Subject Areas</u>	<u># of Classes</u>	<u>Instructional Tool</u>
I. ROLE OF PERSONAL SELLING		
A. Demands on Salesperson	2	Handout Film: "The Competitive Edge" McGraw-Hill
B. Selling in Mktg Mix	1	Overheads
II. INTERPERSONAL-COMMUNICATION PROCESS		
A. Dynamics Buyer/Seller Interactions	1	Overhead
B. Model of Interpersonal Communication Process	1	Overhead
C. Models of Buyer Behavior	1	Handout Film: "Why Do People Buy" McGraw-Hill
D. Buyer/Seller Interactive Approaches	2	Handout Roleplaying
E. Model of Behavioral Styles	2	Overhead Handout Analysis of TV show characters: M.A.S.H.

III. INTERPERSONAL-COMMUNICATION SKILLS		
A. Listening	3	Handout Films: A) "The Power of Listening" McGraw-Hill, B) "Listen to Communicate" (complete lis- tening package with visual & audio components plus exper- iental exercises).
B. Body Language	2	Handout Films: A) "The Nonverbal Agenda," B) "Listen to Communicate," (video and experiential exer- iences). Analysis of TV characters.
C. Vocal Qualities	2	Handout Analysis of TV Characters
VI. TECHNICAL SELLING PROCESS		
A. Product Knowledge	3	Pencil Exercise; Overhead presenta- tion of 3 or 4 real-world sales proposals Film: "Custom Oriented Selling" Tratec Inc.
B. Precall Planning	3	Experiential exercises Film Handout
C. Prospecting	2	Secondary data research
D. The Approach & Opening	1	Roleplaying & video tape Film: "Probing for the Sale" McGraw-Hill
E. Oral Sales Presentation and Demonstrations	2	Film: "Speaking Effectively to 1 or 1000" Toastmasters Roleplaying
F. Handling Objections	2	Roleplaying Handout
G. Closing	1	Handout Roleplaying Film: "Selling to Tough Customers" McGraw-Hill
H. Follow-up	1	Handout
V. ADDITIONAL SKILLS		
A. Telephone Selling	1	Handout
B. Time Management	2	Time log exercise Film: "The Time of Your Life" Alan Laekin
VI. MISCELLANEOUS TOPICS		
A. Professionalism & Ethics	1	Handout
B. Sales Force Management	1	Handout
VII. TESTING AND TWO ORAL SALES PRESENTATIONS	8	Audio-visual critiquing

MARKETING AND POLITICAL ACTION: A USEFUL NEW COURSE

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ABSTRACT

Currently, marketing education, insofar as it pertains to regulatory legislation and rules, is essentially reactive. This is not in accord with business practice which has become more proactive in the political process, seeking to influence government such that company, industry, and general business interests are protected and enhanced. This paper suggests a new course which would help students satisfy expanding expectations that marketing and other managers have the capability to participate effectively in the political process on behalf of the companies by which they are employed.

INTRODUCTION

The pervasive effect of government on the practice of marketing is, of course, well known. It is the rare marketing course which does not spend some time delving into the various laws and regulations affecting such areas of marketing as pricing decisions, channel policy, advertising, or product safety.

Typically, the instructional thrust is to convey to students what is legal marketing practice as well as practices considered illegal given the provisions of relevant legislation and their administrative and judicial history. Hopefully, the result will be to help students minimize confrontations with the law in their future managerial careers.

BUSINESS PRACTICE SUGGESTS NEW COURSE

While unanimity prevails about the relevance of such instruction in marketing courses, current business practice suggests that instruction restricted only to reactive managerial behavior does not adequately prepare students for additional managerial activities, vis à vis government, which they will be expected to perform during their careers. These activities are proactive in nature and seek to prevent or reduce the negative impact of government on the operation of an enterprise.

Individual firms, specific industries, and business as an institution, have become more active in the political process in response to the expanded impact of government on the survival of firms and industries, their decision-making freedom, and their ability to operate profitably. This impact can take the devastating form of a Food and Drug Administration order to remove a product from retail shelves, or can be helpful by pressuring the Japanese government to "voluntarily" limit their automobile exports to the United States.

It is the rare large firm that does not have an office in Washington, managed by an executive of high rank assisted by a variety of staff personnel. These Washington operations are usually attached to an organizational unit in a firm's headquarters office bearing such titles as Government Relations or Public Affairs. Many medium sized firms also have similar arrangements for monitoring and influencing government.

One result of expanded corporate political activity has been the growing expectation that managers in each of the functional areas have the capability to help their firm in-

fluence government in ways beneficial to the company. While such activities are not the major responsibility of operating managers, involvement in this area increases as executives move up, and constitutes a significant activity for many chief executives (McGrath 1979, pp. 70-77).

Participation of business firms in the political process is more sophisticated at the national level than at the state and local levels. However, the possible reallocation of governmental activities from the federal government to the states associated with President Reagan's New Federalism, may lead to an increased involvement of firms with the political process at the latter level, as well as enhanced capability and sophistication (Lydenberg 1979). In recent years, about 100,000 bills affecting business have been introduced annually at the state level. While most of these proposals are not passed, growing numbers are being enacted into law. These laws not only affect home state firms, but can also impose marketing restrictions on companies located elsewhere. For example, Vermont's ban on phosphates affects FMC Corporation in Chicago, since the company produces the bulk of the country's output of phosphates (Dun's Review January 1978).

If it is agreed that a case can be made for educating marketing and other business students so that they not only avoid running afoul of the law, but will also have the capability for participating in the political process on behalf of their firms, what should be the substantive content of the necessary new course?

COURSE CONTENT

I have had an opportunity to experiment with the development of such a course for undergraduates in a seminar setting. Since no one book is available which treats all of the major relevant topics, much effort was expended in becoming familiar with a wide variety of published sources in order that an appropriate set of readings could be compiled. Moreover, student performance revealed a poor understanding of the many very significant ways that government impacts on business firms, and a lack of familiarity with the mechanics of government and the political process.

Accordingly, a course which might be entitled, "Marketing and Political Action" needs to begin with an overview of government regulation so that students can truly understand the magnitude and importance of government intervention in the affairs of firms (Weidenbaum, chs. 1, 2). The details of government regulation can be illustrated by exposing students to materials reflecting the operation of such agencies as the Federal Trade Commission, Consumer Product Safety Commission, and the Food and Drug Administration (Wilson 1980).

Students in the seminar appeared to have little understanding of interest groups--their nature, large number, objectives, strategies, and tactics. They tended not to think of individual enterprises, specific industries, and business as an institution, as interest groups working to promote self-interest in the same way that those from labor, the medical profession, and ethnic groups sought to influence government. If student education is to proceed in this type of course, it is essential that instruction be successful in causing students to understand that interest group behavior is inherent in a pluralistic society

(Ornstein and Elder 1978, ch. 2).

In order to give students perspective on business' participation in the political process, they need to be exposed to historical materials on this subject. Available publications appear to be meager, but enough is available to convey to students the fact that political activity by business firms is not a recent invention (Epstein 1969, chs. 2, 3, 4).

If marketing and other managers are to influence government, they obviously need to understand the operation of the legislative process--the rules, procedures and nature of political behavior affecting legislative proposals from the time of introduction to their consideration by standing committees and ultimately to approval or defeat in the House of Representatives and the Senate (Froman 1967). Strategies and tactics aimed at influencing this process have achieved increasing levels of sophistication over time, and utilize appropriate newly developed technology such as the computer. Students need to become familiar with these developments much as marketing majors need to learn about a wide variety of promotional tactics available for influencing consumer behavior (Schwartz 1981).

Since lobbying is such an important part of any interest group's attempt to influence government, students need to become familiar with this activity. Lobbying tends to have pejorative connotations, and instruction needs to convey the idea that lobbying is legitimized by the constitutional right of citizens to petition government. Much published material is available describing the importance and activities of lobbyists and how lobbying fits into the government relations activities of firms (Miller and Johnson 1970; McGrath 1979, ch. 2).

Educating students about the use of money to influence government policy through corporate and trade association Political Action Committees can be accomplished using a variety of materials explaining the legal basis for such committees, and the various tactics that have been developed for maximizing the political benefit derived through intelligent contributions to friendly candidates and those holding important positions in government (Savings and Loan News, September 1978; Engineering News, November 2, 1978). Faculty wishing to warn students about the illegal use of money in influencing government policy can make use of publications pertaining to some of the well known instances of illegal corporate behavior in recent years (Report of the Special Review Committee of the Board of Directors of Gulf Oil Corporation 1975).

Well researched materials describing the organizational development of corporate government relations units are available. These describe the various structures of government relations departments used by different companies, the use of job descriptions to spell out the government relations activities expected of managers, and techniques for actually involving managers in this function (McGrath 1979, chs. 4, 5, Appendix). In addition to the activities of individual corporate government relations departments, students also need to become familiar with the proactive resources and talents of organizations external to the firm such as trade associations, and general business organizations exemplified by the U. S. Chamber of Commerce and the Business Roundtable.

Case studies of legislative struggles important to business are a necessary and useful pedagogical device. These are fortunately available, and enable students to understand why a firm, industry, or many business firms oppose or support a specific legislative proposal. The underlying relevance of corporate self-interest in these appraisals needs to be conveyed, as well as the fact that legislative proposals do not have the same impact on all affected firms, which explains why "the business position," is not

always unified. Case studies also enable students to see the use of political strategies and tactics in specific legislative struggles, and to learn the result (Carper 1962; Schwartz 1979).

CONCLUSION

The involvement of business firms in the political process is not a temporary phenomenon. Just as government's impact on business has expanded at the federal and state levels, so have firms increased the allocation of resources and talent to the task of influencing government for the benefit of the firm. And while companies use in-house and external specialists to bear the primary responsibility for this activity, increasingly, operating managers, including the Chief Executive Officer, are expected to make a contribution in the government relations area. Moreover, the quality of such contributions are taken into account in the personnel evaluation process.

Given these developments, it is desirable to offer a course which will prepare students for participation in the political process in cooperation with their firm's government relations department. All business students, irrespective of their area of specialization, can benefit from this course. However, if it is not possible to add such a course to the school-wide curriculum, then a somewhat modified course tailored more to the needs of future marketing managers is feasible, and should be offered by the Marketing Department.

Both undergraduate and graduate students who aspire to managerial rank need to have the capability offered by this course. With respect to undergraduates, however, instruction is likely to be more difficult because of the level of maturity and background inadequacies. Among a number of undergraduate students I found an unwillingness to accept as a fact of life the self-interest behavior of companies in their relation with government.

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STRIKING A BALANCE IN THE TEACHING OF QUANTITATIVE COURSES

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ABSTRACT

The past decades have seen a tremendous increase in the mathematical sophistication of the statistical techniques which are taught in the average university. As this sophistication increases, however, there is the growing danger that we are failing to strike a practical balance in two critical areas: (1) Will the student realistically have occasion to use the techniques? (2) Does the student have the mathematical aptitude to implement these more sophisticated techniques outside the sheltered and structured classroom environment?

INTRODUCTION

As instructors in many courses requiring the utilization of quantitative methods, the authors were intrigued and encouraged by the theme selected for this Educator's Conference. There are several areas in which the teaching of quantitative methods appears to be "out-of-balance". In specific, a case could be made that the teaching of quantitative methods is "out-of-balance" in at least two major areas: One, does the student have a real probability of utilizing certain statistical techniques in an operational business environment? Two, would the student actually be able to implement such a technique? (Or in other words, has the student mastered the technique sufficiently as to actually utilize it?)

Over the last few decades the field of quantitative methods has witnessed a virtual explosion in the number and complexity of the statistical techniques which are available, and which are routinely presented to the typical student. One can easily verify the magnitude of this explosion by examining a business statistics textbook from the 1930's versus a current business statistics textbook. The same type of comparison could be made with respect to marketing research texts from earlier periods versus the current texts, and that comparison would also illustrate the greatly expanded variety of techniques which are presented to current university students.

In all probability this increase in quantitative sophistication would be viewed by most educators as a positive development, and surely one would not expect to see a textbook selection committee recommend the adoption of a fifty year old text. However, this ever-increasing sophistication does present a danger. The danger is that the techniques go beyond the ability of the user to make use of them. Hence, a balance needs to be struck between the amount of sophistication which is academically desirable and that level of sophistication which is desirable from a strictly pragmatic perspective.

Striking a Balance: Is it Used?

In this instance, we are seeking to strike a balance between what is taught as opposed to what is actually used in business. Admittedly, certain individuals routinely use quantitative techniques of the highest sophistication. Yet these persons represent a small and rather atypical minority. The average manager, salesman, or small business executive actually makes very little use of the various quantitative techniques which are available. And when quantitative techniques are used, that use will usually fall into one of several simple types of analysis: over-all means and/or percentages, percentage breakdowns by

group or classification, and cross-classification tables. In the field of marketing research, for instance, it is very rare to see any type of analysis beyond means, percentages, breakdowns, and classification tables. Of course, when a research project has been done in the hope of a journal publication, tests of significance will be routinely performed, yet in remunerative consulting work, such tests are the exception rather than the rule.

The obvious reason for the absence of statistical testing in consulting is that tests of significance only answer the very narrow question, "Does the observed difference seem to be more than zero when compared to some standard?" The absolute size of the difference is of no consequence so long as the statistical test makes it appear that strict equality is unlikely. Thus the question of a statistical difference becomes of little concern to an actual, for profit, business-manager. The manager is looking for important differences; differences that are large enough to contain what can be termed "managerial imperative".

Hence, with respect to what we teach our students, it appears that far too much time is spent upon the more esoteric aspects of statistical testing, topics such as: the Z test, the t test, use of the Z vs. the t, unbiased estimators, finite population correction factors, the F test, homoscedasticity, linear models, analysis of variance (let alone topics such as: canonical analysis, discriminate analysis, multidimensional scaling and factor analysis). Quite frankly, the probability that the average graduate from the typical large university would encounter such techniques is quite small. Thus it would seem appropriate that more emphasis needs to be made at those initial stages of a research design, as well as increased emphasis upon the more simple types of data tabulation and analysis. Emphasis upon such topics as: How to code a questionnaire? How is the data set prepared for analysis? How is the data set entered into the machine for processing? How are the analysis routines (usually canned programs) called forth for execution? How does one direct the machine to perform analyses such as means, percents, breakdowns and cross-tabulations? How does one read computer output? How does one write a summary report based upon such analysis?

Don't get the wrong impression. The authors have no vendetta against the more sophisticated techniques. The topics which are covered in the standard statistics course are appropriate subjects for investigation and instruction at the college level. However, it seems that a very good argument could be made that the traditional areas of statistical analysis and statistical hypothesis testing are receiving far too much attention. And in the same manner, it also seems obvious that those more mundane analytical skills which were mentioned in the series of questions listed above are not getting the emphasis they deserve, especially in the light of their higher probability of usage. In short, we are sending forth our graduates, rigorously trained in statistical concepts that they, in all probability will never use, being at the same time, woefully under-trained in those more simple types of analyses which they will use. Although some may protest this line of thought, claiming that this represents a "retreat in sophistication", the problem of over-sophistication remains a valid concern. We need to take a closer look at the intended objectives of our quantitative courses with an eye toward striking a greater balance between what is taught and what is used.

Striking a Balance: Can They Do It?

Obviously we all desire that "perfect teaching environment": classes filled with extremely bright, highly motivated students; with every student possessing a full measure of those background skills and native abilities necessary to do an exemplary job. Unfortunately, and equally obviously, such attributes do not accurately describe the average college class. Admittedly, such students may exist at certain "elitist" universities; however, when approximately 85% of the educators in an association such as this one teach at state-funded universities, our attention must understandably be directed toward that individual who more accurately typifies the "average student". As most of us know, this "average" student is usually not overly bright, relatively unmotivated, and is generally unprepared with respect to both specific quantitative skills as well as overall quantitative aptitude. In short, they lack the ability and preparation necessary to truly master many of the more sophisticated techniques.

Given this more typical and less talented breed of student, there are basically two approaches: independent and relative. The independent approach is to set the standards and curriculum independent of the skill level of the students. That is, decide what materials should be covered, and at what level they should be covered, and do it. If the students make it, fine...if they don't make it, tough. A simple "sink or swim" proposition.

This approach represents the traditional attitude of most academicians, and ideologically speaking would be the favored alternative. Yet such an approach when viewed in the light of the reality of the actual skill levels of most students may be too elitist, and as such may violate the mission of those state universities which account for the vast majority of students. The second approach then becomes to set the standards and curriculum relative to the students. That is, decide what materials that the students can reasonably handle and work at that level. The objective in this approach is not (necessarily) to "water-down" the curriculum, but rather to place primary concentration upon only those techniques which the average student has a reasonable chance of mastering. Obviously, this is not the ideal solution; in fact, most professors would probably characterize it as a bad solution. Admittedly this is not the type of teaching environment which most professors desire. However, that is not the relevant question. The relevant question before us is this: "Given that we have a bad situation, how do we make the best of that situation?"

The relative approach has the advantage of at least making the best of a bad situation. On the other hand, to consistently teach at a level which is above the level of proficiency which the typical student can reasonably attain, is quite frankly, a waste of everybody's time.

Unless the faculty decides to undertake the drastic step of eliminating all of the marginal students, more effort should be made to teach skills that actually may benefit the student. The plain truth of the matter is that the "average" student in the typical quantitative methods class never really understands what he/she is doing. They simply memorize enough of the definitions and problem formats to stumble through the exam, get through the course, and promptly forget all of it. Even though they have been exposed to an impressive gauntlet of statistical tests of undeniable sophistication they generally remain rather impervious to the process, devoid of both conceptual comprehension and computational competence. In short, they leave the course with nothing.

Thus a balance needs to be struck between those techniques which we teach versus those techniques which the average student has a reasonable chance of mastering. Ergo, it would seem reasonable to focus upon a smaller set of sim-

pler techniques, giving greater emphasis upon how these techniques could actually be implemented.

Along this line, the authors would like to share the results of a "proficiency analysis" which was performed upon a set of student test papers. Most introductory statistics classes present several techniques for testing for "significant differences", as well as techniques for examining other types of relationships which may be present in the data set, such as regression and correlation analysis.

The question before us is this: Are certain techniques executed with greater proficiency than other techniques? Realizing that many of these techniques are rather interchangeable, it would seem advantageous to emphasize those techniques which the student has the highest probability of mastering.

An analysis of several classes was performed to assess the level of proficiency which students could attain with respect to five statistical techniques: the chi-square test, the Z test, the t test, regression analysis, and correlation analysis. For the 72 students in the combined classes, TABLE ONE shows the number of students who (1) got the problem perfectly correct, (2) missed a somewhat minor amount of the problem, or (3) missed a substantial amount of the problem.

TABLE 1

	chi-square	Z test	t test	regression	correlation
perfect	52	20	24	36	14
minor errors	18	32	37	26	38
major errors	2	20	11	10	20

To simplify TABLE 1 and to emphasize the strength of these findings, TABLE 1 was partitioned and then collapsed to produce TABLE 2 and TABLE 3.

TABLE 2 represents a cross-classification table which compares the chi-square test against the Z and t test combined (since they are quite similar). In addition, the categories of minor miss and major miss have been combined.

TABLE 2

	chi-square	Z and t	
100% correct	52	44	Independence of classification test: chi-square value = 33.75 (.01 value = 6.64)
some miss	20	100	

In TABLE 3 the chi-square is compared against the combined regression plus correlation results since these techniques are also covered in tandem. As before, minor misses and major misses have been combined into a single category.

TABLE 3

	chi-square	reg and corr	
100% correct	52	50	Independence of classification test: chi-square value = 27.08 (.01 value = 6.64)
some miss	20	94	

Judging from these results it seems readily apparent that the average student finds it significantly easier to master the chi-square test than any of these other techniques. Given the fact that the chi-square test can produce roughly the same conclusions as these other tests, and in view of the fact that it avoids many of the technical assumptions required by the other tests, and finally in light of the fact that students find it demonstrably easier to use, more attention should be given to this technique. In emphasizing the chi-square test the instructor is striking a greater balance between the techniques which are presented, and those techniques which the average student can execute with reasonable proficiency.

CONCLUSION

In summary, this paper has argued that more attention needs to be given to the ultimate goals and objectives of our quantitative courses. In the quest for greater sophistication in our quantitative courses two important, practical considerations have been slighted. These two considerations are applicability and proficiency. In order to more adequately address these considerations it was suggested that more emphasis be given to the more basic analytical steps such as data collection, coding, entering, tabulating, developing means and percentages, developing sub-group breakdowns, and cross-classifying. If a statistical test of significance is desired, the chi-square test was recommended due to the higher levels of proficiency associated with this test.

Admittedly such a shift in emphasis would be highly controversial, and many would decry these suggestions as a "retreat from sophistication", a shameful watering-down of the curriculum. Nevertheless, attention needs to be given to the end product of our educational efforts, the student. While there is an undeniable need to maintain requisite academic rigor, it seems equally apparent that universities have failed in their educational mission if the bulk of our efforts are spent in the presentation of techniques which our students will not use and cannot master. Truly a balance needs to be struck!

COMPREHENSIVE EXAMINATIONS IN MARKETING

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INTRODUCTION

Many Marketing faculty have wondered about the overall student performance and the factors related to achievement in college Marketing curriculums. Faculty have wanted to measure the scholarly advancement students have made from the start of their Marketing major through its completion. They also have wanted to know of factors such as general academic performance, exam preparation, and personal characteristics that contribute to test score performance.

Last year Oregon State University's marketing area required that all senior Marketing majors take a comprehensive exam midway through their capstone Marketing course. This exam was based on material provided in the introductory course taken during the junior year.

The study presented below was developed with the goal of exploring many of the factors that will have to be considered in responding to the above needs and challenges.

BACKGROUND

Oregon State University has about 180 undergraduate business students graduating each year with a concentration in Marketing, one of the largest in the School of Business. As at many schools, the students take an introductory course during their junior year as a prerequisite to their concentration (major) courses during their senior year. The concentration requires senior students: to start with Marketing Management, take 2-3 electives, and complete their concentration with a capstone course in either Marketing Policy or Marketing Research. At least 18 quarter hours in senior Marketing courses must be completed for graduation in Marketing.

A number of the OSU faculty have wondered if the senior students retain much of the material in the introductory course. Furthermore, the faculty teaching the capstone courses wondered if the students retain much of the material covered in the Marketing Management or elective courses. The faculty teaching the capstone courses jointly developed a comprehensive exam that was administered to the students in the capstone courses during the Spring of 1982.

Material for the exam was taken from the introductory course with minor extensions into the Marketing Management and elective courses. The exam questions had previously been tested by the author(s) of the introductory text test banks. Performance on the test showed that there was high reliability or internal consistency in the exam.

FACTORS RELATED TO COMPREHENSIVE PERFORMANCE

The second stage of the exam process was the completion of a questionnaire which measured the student's background. The faculty wanted to discover the factors that might be related to high and low performance on the exam.

These factors were categorized into three groups. The first group was related to academic measures and included items such as: overall GPA, scholarship awards,

number of marketing courses, minor (OSU students are required to take a 28 credit technical minor), years spent at Oregon State University, and length of time spent in the business and marketing curriculums. The second group was related to exam measures including items such as: test anxiety and preparation time. The last group designated by personal characteristics included items such as social affiliations, student political participation, hours employed each week, living accommodations, type of residence, and proportion of college expenses the student earned. All Marketing students who graduated Spring term took the exam, a total of 160.

Where possible the data was verified with student records. The exam scores were then merged with the corresponding questionnaire responses. Once the data base was completed, SPSS was used to run crosstabulations on all the variables using the comprehensive exam score as the dependent variable. Raw exam scores were used to construct a regression model to test relationships between background and test performance. Exam scores were standardized for use in a crosstabulation analysis using the Chi Square Significance tests.

RESULTS

Individual exam scores ranged from 52 to 99 on the 56-question comprehensive exam. The average score was 80.3 which was slightly higher than expected. The background data on the students yielded a general profile that is displayed in Table 1. The rest of the results are discussed below.

The background data was combined with the test data to obtain an analysis of possible relationships between background and test performance.

As expected, grade point average (GPA) was highly significant. If students had performed well in their previous collegiate courses, they normally scored high on the exam; and if they had low GPA, they tended to score low on the exam.

There was a strong relationship between test performance and having an elected office on campus. Students who held elected offices in student government and/or social groups tended to score better than those who had not held elected offices.

Type of student residence also appeared to have a significant association with the corresponding test scores. Students living in the dormitories and Greeks had, on the average, better test scores. On the average, those who rented scored lower. (It should be noted, however, that a small group of the renters scored very high.) Students living at home had average test scores.

The last variable to have significance in the Chi Square test was number of Marketing courses. It appeared that there was a small but positive relationship between the number of Marketing courses and test performance. The marginal relationship would support one of the goals in developing the exam. The exam goal was to test concepts and material from the principles course that were independent of material stressed in advanced marketing courses.

TABLE 1
Demographic Characteristics

Variable	Percentages
Years attended	55.6% attended the university 4 years.
First university major	Business, 66%; science or engineering, 14%; social science, 1%; other, 19%
Current major	Marketing, 98%; general business, 2%; other, 2%
Number of Marketing courses	2-3 courses, 16%; 4 courses, 18%; 5 courses, 48%; 6 courses, 14%; 6 courses or more, 4%
Minor area	Business, 63%; science or engineering, 16%; other (forestry, food science, home economics, etc.), 15%
Oregon high school graduate	87% graduated from an Oregon school
Percentage of college expenses paid for by the student	0-15, 17.5%; 16-35, 18.1%; 36-55, 26%; 56-75, 17%; 76-100, 20%
Scholarship	24% of the students were assisted by some form of a scholarship
Social organization membership	52% of the students belonged to no social organization. Of the remaining 48% most belonged either to a fraternity or a sorority
Residence	Rent, 70%; dormitory, 5.6%; fraternity or sorority, 17.5%; other, 4%
Extracurricular activities	None, 31.3%; 1 activity, 22.5%; 2 activities, 26.9%; 3-4 activities, 11.2%; 5+ activities, 8.1%
Hours employed	None, 37.5%; 1-5 hours, 19.4%; 11-20 hours, 16.2%; 20+ hours, 15%
Sex	54.4% were male (n=87). 45.6% were female (n=73)
Transfer status	65.5% had originally begun their university education at the same institution. 33.1% were transfer students from other institutions.
Elected to campus office	13.1%
Hours/study for the COMP	None, 16.9%; 1-4 hours, 55.6%; 5-9 hours, 23.8%; 10+ hours, 3.7%
Reported anxiety	High, 6.3%; moderate, 39.4%; low, 26.2%; almost no anxiety, 7.5%
Percentage in each grade category	A, 15%; B, 43.8%; C, 30.6%; D, 9.4%; F, 1.2%

A stepwise linear regression was used to relate the background variables with the test score. The results included two independent variables, GPA and number of Marketing courses. The regression results are represented in the following equation. (Numbers in parenthesis represent probability levels for t tests.)

$$\text{Test Score} = 50 + 9.8(\text{GPA}) + 1.8 (\text{No. of Mktg. courses})$$

(.0001) (.004)

No other variables were significant in the model. Thirty-two percent of the test score variance was explained ($R^2 = .32$) using the two variables.

DISCUSSION AND CONCLUSIONS

The research discussed above is in its embryonic form. The test will be repeated this year. Initial results are interesting since they, for the most part, complement a faculty member's intuition concerning background and test performance. As the background questionnaires are refined with non-significant variables deleted and other possibly more meaningful variables added, the level of understanding should improve. Also there should be improvement as the measurement scales are refined.

At this stage the reader should be considering the possible extensions of the use of a comprehensive exam. There may be benefit from the exam in monitoring the competencies of graduating Marketing students on an annual basis. Substantial changes in the competencies from one year to the next could reflect changes in the quality of students majoring in Marketing and/or changes in quality of the curriculum or instruction. The focus would be directed to internal curriculum and improvements.

Another use of the exam may be to measure the effectiveness of one Marketing program versus another. If the exam results for one school in a group of schools administering the exam were constantly above or below the average (generated by a group of schools), the faculty might want to review their Marketing curriculum.

Potential employers may be interested in the exam scores of prospective employees coming from the Marketing program. Currently a few of the larger employers test the students on their own during the interviewing process. The comprehensive Marketing exam could replace parts of the employer's test.

The test may serve as a base for future uses in the Marketing profession. For example, professionals, academics, and practitioners, have speculated on the need for testing, certifying and/or licensing personnel employed in certain functions (marketing research, advertising, publicity, sales management, etc.). Many of these same professionals have toyed with the idea of requiring some standardized training for individuals employed in certain aspects of Marketing. Many executives and employers have also considered and sometimes used testing to screen Marketing applicants. Often the testing evaluated academic performance and measured personality characteristics that employers associated with career success in Marketing. The comprehensive exam discussed in this paper may be expanded and refined to meet some of these potential needs.

ABSTRACT

TEACHING BRANDING MANAGEMENT THROUGH RESEARCH WORKSHOP

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During the 1970s American firms allocated substantial funds for application of scientific methods to the selection of effective brand names and logos, and success stories have been increasing. Nonetheless, the 1982 Consumer Survey reported that a majority of Americans could not recall any brand name for some commonly purchased products.

A survey of teaching methods conducted by the author in 182 universities and colleges throughout the United States and Canada (1977-82) revealed that marketing instructors spent an average of 20 minutes on branding in marketing management courses of graduate and undergraduate levels. Some of the shortcomings of conventional approaches are cited in Anderson's Survey of MBA Marketing Research course content (1982) where a significant difference between faculty and practitioners' priorities for design of experiments were reported.

The Research-Workshop approach to teaching Branding Management was developed by the author at Western Washington University in 1974, and since then 24 successful experiments have been conducted, the findings of each contributed to further improvement of the brand selection model.

A newly established company with international operations (here referred to as ABC) was considering a new name and logo for its enterprise. The author was involved in development of brand name and design for this company. Relevant information about ABC was furnished to a number of artists as the basis for logo design. Altogether twenty logos were designed for management consideration. These designs were then tested in samples of ABC target markets in various parts of the world. The same research format was used to teach branding management to marketing students.

Each design was given a number, and several color slides were produced for testing and instruction. Equipment consisted of two slide projectors, two screens, a tape recorder, a raw tape, and a pointer. A set of workshop forms was produced in two parts, each in a different color, and distributed among the participants. Workshop forms were designed and arranged to measure the effectiveness of each design with respect to various aspects of learning process, i.e., cognition, retention, recall, etc.

Students (workshop participants) were told to assume their role as members of the ABC target market who were randomly selected and paid to help the company select an effective brand name and logo. The difference between this mock session and an actual session was mostly in its format, i.e., in order to maximize academic productivity within constraints of class hours only a selected number of designs were presented in each test. The testing process was also interrupted at various intervals to discuss the purpose of that test and its contribution to branding management.

Various tests were conducted to demonstrate the effectiveness of each design with respect to objectives and mission of the firm. In the Association Test a number of designs were projected on the screen and the participants were asked to associate each design with four characteristics of the firm, i.e., its activities, areas of operation, size of the company, and its personality. The instant feedback ranked the effective logos by closeness of their perceived characteristics to the minds of the target market (here represented by the workshop participants). The instructor then cited the work of other scholars in support of these findings. Experiments by Bowen and Chaffee (1974) and Traylor (1981) found a positive relationship between ego involvement in a product class and commitment to a brand in a low-involvement product. Stevens (1981) suggests that associating product (or company) characteristics with events of public interest or areas of public concern enhances brand promotion. He coins the term "Brandstanding" for this strategy. The next step is to measure the uniqueness of the logo, i.e., the degree to which a particular design would make the brand identifiable among competitive brands (Uniqueness Test). Although previous designs could be projected for this test, new logos were presented to reduce monotony. Participants marked any established companies or brands which logos brought to their minds. Usually those logos which were not reminiscent of other companies or brands were preferred, unless the firm was deliberately seeking association with competition. Statman (1981) points out that a distinguishable logo contributes to brand loyalty. Kleinberg (1980) warns that if a brand is distinguished too clearly from competition but is heavily associated with a product it may lose its identity and be considered generic by FTC.

Other tests include the Preference Test, which measures attractiveness of each design; the Suitability Test, which matches the overall feature of designs with companies' objectives and mission in light of adequate information; the Modification Test, which recommends perfection touches on preferred logos; and the Typeset Test, which measures suitability of various typesets for printing companies' names.

The innovative approach increased academic productivity both on quantitative and qualitative levels. Final exams in all 27 courses produced most complete and correct answers about questions of Branding Management. Student evaluation of the instructor and the course gave the highest rating to the workshop. Alumni who had taken the course five years ago referred to the branding workshop as their most valuable experience in marketing class. In subsequent experiments the instructor raised the workshop size from 30 to 100 participants and noticed the same quality of performance in midterms and finals.

(The references are included in the complete paper, a copy of which can be obtained from the author.)

A PRACTICAL M.I.S.: SUGGESTED,
TESTED AND APPLIED

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ABSTRACT

With the present increase in computer processing accessibility, the development and operationalizing of marketing information systems has become feasible for all firms. An M.I.S. based primarily on invoice information is presented as are data from its implementation. Results indicated that the system provided information immediately useful for making marketing strategy decisions.

INTRODUCTION

An examination of sales costs for 1980 and 1981 revealed an alarming trend: Within most of the industries considered the costs of selling were apparently increasing faster than total revenues. (Sales & Marketing Management 1981, 1982). In other words, to a firm facing such cost and revenue curves, it is no longer sufficient to concentrate on expanding sales. In fact, the firm that does concentrate singly on sales will find that increased sales revenues will literally and consistently result in decreased profits. Obviously this is contradictory to traditional marketing theory.

In the past, both sales training programs and corporate marketing philosophies have suggested that one of the primary objectives of a firm should be to maximize sales. Thus, sales personnel were instructed to cultivate both customers and orders; considerable time was spent developing positive relationships with clients on the assumption that such would produce increased sales. Sales people's orientations were towards amount of sales, and their performances were based on--and bonuses awarded because of--achieving various levels of sales.

Within the present environment, however, a strategy of sales maximization will not be effective. Rather than concentrating on increasing the quantity of sales, a firm would be better advised to emphasize increasing the quality of its sales.

Quality = Profitability

In its present context, quality of sales means profitability of sales or, more accurately, profitability of the particular product items sold and marketed. What are universally applicable--and only slightly less ignored or unappreciated--are the differences, often extreme, in contributions to profit that result from various items in a firm's product mix. Very simply, some items in a firm's product mix are more profitable than others. It becomes the responsibility of the firm to determine that profitability and then to base its marketing strategy on those determinations.

Surprisingly, while many firms are aware of their overall profitability, they are very much unaware of profitability by other variables--e.g., by customer, by geographic region, and most importantly, by product item. Yet determination of such profitability segments may be a relatively easy matter for many firms, particularly for small manufacturers, even if the number of their product offerings is considerable.

Essentially the determination of segmentation by profitability revolves around the acquisition and effective use of information. With few exceptions, this information may already be available within the firm. Thus, it becomes more a matter of merely processing already-existing

data than of acquiring or gathering new information. Of course, what has just been described is a marketing information system. What is going to be suggested is that every firm, regardless of size, needs to develop and utilize just such an M.I.S.

Certainly the strategy of allocating marketing efforts according to profitability analyses is not a particularly new one--such was formally suggested at least 20 years ago (Sevin 1965). Nor is the use of an M.I.S. to facilitate that analysis a unique suggestion. What may be new and unique, however, is the present ease with which firms can have access to computer systems to implement an information system.

In addition to the information itself, a successful M.I.S. requires both the appropriate theory to underly it and effective technology to operationalize it. The current proliferation of computers--micros, minis, and main frames--effectually means that any firm, whatever its resources, need not be stymied by inaccessible technology. This paper will suggest that the theoretical foundation is also within reach of most firms.

THE CALIFORNIA SURVEY

One note of caution: The research effort that is described here was not undertaken to provide for the formal testing of market information system theory. Rather, as the title implies, its orientation was purposely practical in nature: an attempt to show that a practical M.I.S. can be designed and implemented, and that such a system can indeed provide results useful for making marketing strategy decisions.

Methodology

The research examined invoice data from several marking device manufacturers within the State of California. Marking devices refer to items which are used to mark or identify other things, such as rubber or plastic stamps, printing plates, marking machines, stencils, badges, etc. In this case, the industry is concentrated in or near the greater Los Angeles and greater San Francisco areas: 76% of California industry members were apparently located within these two areas. In all, five firms were studied, three from the greater San Francisco area and two from the greater Los Angeles area. In addition to a sampling of firms, a sampling of dates was included. Based on the past year's sales fluctuations, four months were chosen--January, March, July and October. Within each month, five days were systematically chosen such that each week was represented at least once. In this way, it was reasonable to expect that these 20 days would be representative of the kinds of sales and situations present during 1980.

Seven pieces of information were collected from each invoice: date of order, type of customer, geographic location of customer, type of item ordered, quantity ordered, price per item, and any discount granted. In addition, profit per item--in terms of profit margin--was obtained from management.

Results

In all, more than 8,000 invoices were examined. Results indicated that, on both theoretical and practical levels, at least two generalizable and significant conclusions were apparent:

1. Relevant information was easily accessible. With the exception of profit margin data, which was available from management, all information was literally taken straight from firms' invoices.
2. Significant profit segments were apparent. Not only were these segments recognizable, but also it was possible to use them to suggest marketing strategy decisions.

Each of the following strategy suggestions was based on specific results from the 1980 survey; each was statistically supported by data from that survey; and though this study concentrated on California, each suggestion could feasibly be considered for any geographic area.

Segmentation Based on Profit Consideration

It would be rare for a firm, let alone an entire industry, to be faced with an undifferentiated marketplace--and the marketing device industry is no exception. Certainly the needs of consumers will vary across customer groups--e.g., the needs of bankers cannot be satisfied in the same way as those of wholesalers. So too, the profit from doing business with bankers may be significantly different from that from wholesalers or any other customer for that matter. In fact, results from analysis of both customer type and item type indicated just such segmentation possibilities.

Type of customer. Table 1 presents the average profit per item generated by each type of customer. Analysis of variance (Table 2) indicated that profit per item varied significantly across customer categories ($p < .001$).

TABLE 1
Profit per Item Ordered by Type of Customer

	Average Profit	Standard Error	n
Utilities	5.06	.76	154
Banks and S&L's	11.42	5.63	96
Paper Houses	5.53	.27	576
Government	6.49	1.83	202
Manufacturers	5.78	.32	2,405
Retailers	3.56	.36	424
Small Businesses	5.45	.41	297
Wholesalers	2.28	1.05	505
Walk-In business	5.58	2.58	3
Miscellaneous/Other	8.36	1.56	145
Total	5.36		4,807

TABLE 2
Analysis of Variance of Profit per Item by Customer Type

Source	df	Sum of Squares	Mean Square	F-Value
Between Groups	9	11,708.30	1,300.92	4.37*
Within Groups	4,797	1,426,687.52	297.41	
Total	4,806	1,438,395.82		

* $p < .001$

What this means is that while all men may be created equal, all customers certainly are not. Some are of higher "quality" than others; that is, doing business with them is simply more profitable. Ideally, a firm should strive to have a distinct marketing mix for each customer type, to have a marketing plan tailored to the individual needs of each of its different consumer segments. With small-sized firms like these were--and perhaps medium-sized as well--such extensive marketing customization may not be feasible. It is quite feasible, however, that:

1. Specific marketing approaches should be developed for the highest quality customers.
2. The attention and effort given to customers should be proportional to their profitability.

In this study, it was possible to group customer types according to profitability as follows:

High Quality	- Miscellaneous/Others	} (\$8.36)
Medium Quality	- Paper Houses	}
	- Government	} (\$5.75)
	- Manufacturers	}
	- Small Businesses	}
Low Quality	- Retailers	}
	- Wholesalers	} (\$2.86)

Type of item ordered. Depending upon the study cited or the industry examined, the rate of new product and new business failure has varied between 50% and 90%. At the same time, it is virtually impossible for a firm which does not innovate, does not continually introduce more satisfying products, to survive. This apparent dilemma should alert management to the feasibility of at least two distinct marketing strategies.

First, it is a requisite to continually examine the productivity of all product offerings. As was seen in this study, that productivity is likely to vary considerably across products. Table 3 presents the average profits generated by each of twelve product categories; and analysis of variance of those data (Table 4) suggested that profit did indeed vary significantly across those product item groups ($p < .001$).

TABLE 3
Profit per Item Ordered by Type of Product

	Average Profit	Standard Error	n
Rubber/Plastic Stamps	5.17	.29	2,583
Porous Stamps	3.35	.30	127
Surface Marking Machines	26.97	17.22	12
Metal Marking Tools & Dies	7.97	1.21	124
Indent Marking Machines	9.66	2.20	17
Nameplates & Engraved Signs	5.95	1.24	485
Marking Inks	6.92	.70	387
Embossing, Notary & Corp. Seals	18.60	12.85	200
Stencils, Stencil Equipment	5.50	.38	200
Badges, Tags & Coins	1.21	.51	63
Other Marking Devices	5.10	1.13	287
Other (non-marking items)	3.66	.69	489
Total	5.37		4,802

TABLE 4
Analysis of Variance of Profit per Item by Item Type

Source	df	Sum of Squares	Mean Square	F-Value
Between Groups	11	15,899.40	1,445.40	4.87*
Within Groups	4,790	1,422,418.83	296.96	
Total	4,801	1,438,318.23		

$p < .001$

Second, no firm has unlimited resources; therefore, it is only logical that it should get the most out of those resources that it feasibly can. This means it is just as important to drop low productive products as it is to introduce high potential ones. In this study, it was possible to group products according to profitability

TABLE 5

Number of Orders by Customer Type and Item Type

Count Item Pct. Customer	Utilities	Banks/S & L's	Paper Houses	Government	Manufacturers	Retailers	Small Business	Wholesalers	Walk-In	Misc/Other	Total
<u>Item Ordered:</u>											
Rubber/Plastic Stamps	81 1.6 42.9	324 6.3 81.6	590 11.5 67.4	552 10.8 78.5	1561 30.5 53.0	325 6.3 62.1	241 4.7 55.8	1345 26.2 70.9	3 .1 75.0	103 2.0 55.4	5125 62.9
Porous Stamps	3 .8 1.6	6 1.5 1.5	42 10.6 4.8	46 11.6 6.5	106 26.7 3.6	42 10.6 8.0	34 8.6 7.9	112 28.2 5.9	0 0 0	6 1.5 3.2	397 4.9
Surface (ink) Marking Machines	0 0 0	0 0 0	2 15.4 .2	2 15.4 .3	7 53.8 .2	0 0 0	2 15.4 .5	0 0 0	0 0 0	0 0 0	13 .2
Metal Marking Tools & Dies	3 2.4 1.6	1 .8 .3	16 12.7 1.8	5 4.0 .7	89 70.6 3.0	2 1.6 .4	3 2.4 .7	6 4.8 .3	0 0 0	1 .8 .5	126 1.5
Indent Marking Machines	2 11.8 1.1	0 0 0	3 17.6 .3	0 0 0	7 41.2 .2	0 0 0	2 11.8 .5	0 0 0	0 0 0	3 17.6 1.6	17 .2
Nameplates & Engraved Signs	31 3.8 16.4	54 6.6 13.6	97 11.8 11.1	65 7.9 9.2	259 31.5 8.8	45 5.5 8.6	44 5.4 10.2	205 24.9 10.8	0 0 0	22 2.7 11.8	822 10.1
Marking Inks, special purpose	8 1.9 4.2	0 0 0	25 5.9 2.9	8 1.9 1.1	273 64.4 9.3	18 4.2 3.4	27 6.4 6.3	46 10.8 2.4	1 .2 25.0	18 4.2 9.7	424 5.2
Embossing, Notary & Corporate Seals	5 10.0 2.6	1 2.0 .3	6 12.0 .7	1 2.0 .1	10 20.0 .3	4 8.0 .8	6 12.0 1.4	17 34.0 .9	0 0 0	0 0 0	50 .6
Stencils & Stencil Equipment	1 .5 .5	1 .5 .3	6 2.8 .7	2 .9 .3	128 60.7 4.3	23 10.9 4.4	14 6.6 3.2	31 14.7 1.6	0 0 0	5 2.4 2.7	211 2.6
Badges, Tags & Coins	5 6.5 2.6	1 1.3 .3	18 23.4 2.1	2 2.6 .3	18 23.4 .6	7 9.1 1.3	8 10.4 1.9	12 15.6 .6	0 0 0	6 7.8 3.2	77 .9
Other Marking Devices	6 2.1 3.2	0 0 0	16 5.6 1.8	3 1.0 .4	181 63.1 6.1	23 8.0 4.4	16 5.6 3.7	36 12.5 1.9	0 0 0	6 2.1 3.2	287 3.5
Other	44 7.3 23.3	9 1.5 2.3	55 9.1 6.3	17 2.8 2.4	307 50.7 10.4	34 5.6 6.5	35 5.8 8.1	88 14.5 4.6	0 0 0	16 2.6 8.6	605 7.4
Customer Total	189 2.3	397 4.9	876 10.7	703 8.6	2946 36.1	523 6.4	432 5.3	1898 23.3	4 .0	186 2.3	8154 100.0

Chi Square = 947.80 with 99 d.f., $p < .001$

as follows:

High Quality	- Rubber/Plastic Stamps	}	
	- Metal Marking Tools	}	
	- Indent Marking Machines	}	
	- Marking Inks	}	(\$5.54)
	- Stencils & Stencil Equipment	}	
	- Nameplates & Engraved Signs	}	
	- Other Marking Devices	}	
Medium Quality	- Porous Stamps	}	
	- Other (non-marking items)	}	(\$3.60)
Low Quality	- Badges, Tags & Coins	}	(\$1.21)

Since walk-in business appeared to be negligible, most sales were evidently generated by marketing efforts, whether from sales personnel or through advertising. Certainly it would be reasonable for the marketing people within the firm to be aware of these product priorities; and perhaps just as reasonable if their efforts, when possible, were allocated in proportion to the profit contributions of the product types.

Multivariate Relationships

In addition to the previous univariate examinations, there are many multivariate relationships which would be of interest to a firm assessing its marketing position. For instance, one could examine whether seasonal fluctuating were present within customer grouping or product item classifications; so too whether profitability varied for customers or products within specific geographic areas; or whether a relationship existed between customer type and item type. This latter relationship was used to illustrate the types of analyses which are feasible.

It was reasonable to speculate whether certain customers would be more likely to demand some product items than others. Table 5 was prepared to examine that possibility. It summarizes the number of orders requested during the sampling period (estimated demand) by customer type and item type. A chi-square analysis applied to the data indicated that an apparent relationship did exist between the two variables ($p < .001$).

From a practical standpoint, the table can be read in two ways: Reading across the table, one can observe segmentation possibilities for particular marking device items. Moving down the columns, one can examine the needs of specific customer types.

Considering Rubber Stamps, for example, 63% of all orders were for this item. If there was no relationship between Rubber Stamps and customer type, then one would expect the orders from each customer group to be composed of approximately 63% rubber stamps. Note, however, the significantly higher customer percentages for Banks (82%), Government (79%), and Wholesalers (71%); these three customer types appeared to have a greater need for rubber stamps than the average marking device customer. This same reasoning allows one to conclude that Nameplates & Engraved Signs were disproportionately demanded by Utilities, Marking Inks by Manufacturers, and Other items also by Utilities.

Now considering customer types, the following customer groups were observed to have these specific needs:

- Paper Houses - badges, tags & coins
- Manufacturers - metal marking tools & dies
 - special purpose marking inks
 - stencils and stencil equipment
 - other marking devices
- Wholesalers - embossing, notary & corporate seals

It may also be worth noting that while the previous analysis utilized number of orders as an indicator of demand, it would be just as reasonable to select, say, quantity per order or profitability per item as the dependent variable. Although their interpretations obviously differ somewhat, each variable provides a useful measure of the attractiveness to the firm of certain customer types towards specific product preferences.

WASTED RESOURCES

All of the information in this study--all of the results which were produced, all of the conclusions which were drawn, all of the suggestions which were made--was based on already-existing data. No one needed to be interviewed, no questionnaire needed to be designed, no survey needed to be taken--all data came directly from the invoices of the participating firms. To the extent that the results and conclusions are seen as worthwhile, to that extent the existing resources have until now been wasted by those firms. And this same information is undoubtedly available to all manufacturers of multiple products; and is undoubtedly being wasted by most of them in the same fashion. It sits in filing cabinets--or, perhaps, within computer storage devices--and, except for accounting purposes, gathers dust, whether physical or magnetic in nature.

Suggestion: Each firm, according to its particular needs, should develop its own Marketing Information System. Such an M.I.S. should be based entirely on information internal to and easily obtainable by the firm. The information must be worthwhile and continual. It should be worthwhile to the extent that it provides practical information, information that can be used to increase decision-making effectiveness. And it must be continual to the extent that the M.I.S. is a functioning operation of the firm, that it continually feeds information to the decision maker without the necessity of a direct request.

At stake is not merely the more efficient use of existing information, but also, in the not-so-long run, the profit survival of the firm.

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ABSTRACT

TOWARD A PHYSIOPSYCHOLOGICAL THEORY OF CONSUMER BEHAVIOR

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In taking stock of the current theoretical foundation in the discipline of consumer behavior, recently several authors have arrived at one overriding common conclusion that neither sociologists nor psychologists have provided a viable paradigm for the study of consumer and consumptive behavior.

Some investigators have sought to study consumer behavior at a social, psychological, or socio-psychological level. These approaches have proven inadequate, at least from pedagogical standpoint, for the main reason that the current models have attempted to explain consumer motivation and behavior based only on afferent input (carrying external stimulus information toward the central nervous system).

An important "key area" has been neglected. The more recent, emerging view is that the effects of stimulation or motivation on behavior must be understood as an interaction between stimulus objects in the environment and a particular physiological state of condition of the organism (i.e., the consumer).

Although much of the individual's consumptive behavior is motivated by environmental, social, psychological stimuli, a vast number of times behavior is also motivated from internal conditions, namely physiological processes which are related to behavioral states. Often the most accurate measuring of products and services is conveyed by having the consumer experience them personally, such as through sampling (e.g., by eating a slice of salami offered by a friendly product demonstrator at a supermarket). How can we explain purchase behavior had the shopper bought some of this product other than through social or psychological influences exerted by this comely demonstrator or through the concept of "satisfaction" after purchase, which is a feedback information (again an afferent input) and does not explain or incorporate the internal (bloodborne) input resulting from physiological changes due to the initial act of the sampling experience? A process such as this example is not amenable to purely social or psychological explanation. To bridge this gap, we have to resort to physiological psychology findings.

Although research in areas embodied by physiological psychology has been taking place since the 1800's, it has only been within the past fifty years, with the development of neuroelectrical technology, that scientists have been able to make fine-grain analysis of brain and nervous system structure and function. Thus, there is a huge body of knowledge already accumulated in this field which needs to be synthesized and integrated into our perspectives on consumer behavior.

In this paper an attempt is made to incorporate the physiological aspects of the consumer in explaining consumption behavior. The assumption underlying the proposed model is that the unit of analysis is the individual consumer whose behavior is also controlled by physiological processes. For students of consumer psychology, the justification for learning about physiology comes through demonstrating that such knowledge increases our understanding of how important

behavioral processes can be influenced. Explaining consumer behavior, thus, would involve the examination of the individual's two interacting systems. The first system is the psychological aspect and the second system is the physiological dimension of consumer behavior.

The proposed model, has five major components (afferent input, physio-psychological information processing, decision process, environmental forces, and output).

Essentially, the nature of the model can be described in the following ways:

1. It is a stimulus-organism-response (SOR) model.
2. It is homeostatic and morphogenic model (i.e., the consumer is constantly trying to maintain and/or attain a higher level of internal balance with the environment for coping with the requirements of various needs).
3. It accounts for subliminal stimulus processing.
4. It accounts for low and high involvement stimuli processing.
5. It is a model of consumer's rational/emotional choice decisions, and
6. Finally, it accounts for physiological processing of information.

Although, the proposed model may seem akin to that of Howard and Sheth's, the similarity lies in format and choice of some variables. However, there are three major differences. First, while the Howard-Sheth model concentrates only on rational brand choice decisions, the suggested model, in addition to that accounts for subception and emotional choice decisions. Second, the Howard-Sheth model presents first perceptual constructs for information processing whose results would be "input" to the learning constructs, whereas this model adopts the individual's cognitive structure as the information processing unit (an input) to facilitate perception of the incoming stimulus. Finally, while Howard-Sheth model is largely a psychological abstraction drawn upon learning theories, this model is based on physio-psychological underpinning of consumer/consumption behavior.

ABSTRACT

CHANNELS MANAGEMENT AND THE CHANNELS MANAGER

Bruce J. Walker, Arizona State University
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Donald W. Jackson, Jr., Arizona State University

Distribution channels are one of the most important elements of a firm's marketing strategy. Thus, several authors have supported the need for effective coordination of channel activities (Alderson 1959, Little 1970, Wilkinson 1974).

A distinct and separate position called the channels manager was advocated by Jackson and Walker (1980). The channels manager would be responsible for planning, coordinating, and evaluating and controlling activities related to the firm's distribution channels. Yet, despite the importance of distribution channels and the advantages that can accrue to the firm that coordinates channels activities, available evidence suggests distribution channels are not managed (Cox and Schutte 1969, Lambert 1978). Few firms have integrated the management of marketing channels under one channels manager (Moore and Eckrich 1976).

The purpose of this study was to examine the adoption and viability of the channels manager concept. The study involved a mail survey of top marketing executives in large manufacturing companies. A systematic random sample of 1000 companies (or subsidiaries) with annual sales of \$50 million or more was selected for study from Standard and Poor's Register of Corporations (1981).

Of the 1000 questionnaires mailed, 14 were deleted because they were nondeliverable or unusable. Of the remaining 986 questionnaires, 123 usable questionnaires were returned. Respondents represented a good cross-section of manufacturers. A telephone survey of nonrespondents revealed no differences between respondents and nonrespondents.

Results of the study indicated that the planning, coordinating, and evaluating and controlling activities related to distribution channels were diffused throughout several positions within the organization, including the marketing vice president, marketing manager, sales manager, and others. Furthermore, only 14 percent of the respondents had a channels manager position within their marketing organizational structures. Thus, the position had not reached the scope as advocated by Jackson and Walker (1980).

In all firms with a channels manager, the channels manager held primary responsibility for only 13 of the 20 planning, coordinating, and evaluating and controlling activities included in the survey. Also, for each of these activities, the channels manager had primary responsibility in no more than 25 percent of the firms with a channels manager. However, respondents in firms with a channels manager position strongly supported the existence of the position within their own company and within large, multiproduct, multimarket, multichannel companies.

Among all respondents, there were more executives who did not perceive a need for a channels manager position within their own organization than there were executives who saw a real need for the position. Thus, most respondents estimated that the likelihood of implementation of the channels manager position within their own company was low.

On the other hand, there was some recognition of the need for the channels manager position in large, multiproduct, multimarket, multichannel companies. However, about four-fifths of the respondents estimated the likelihood of implementation of the channels manager position in large firms in the next five years was less than 50 per-

cent. The major impediment to implementation seemed to be concern about proliferation of organizational positions and cost of implementation.

The present study indicated that the channels manager position was still more concept than reality. However, favorable views expressed by those respondents representing firms with a channels manager position suggest that the concept does have potential value, at least in certain types of companies. Hence, other companies should evaluate the benefits that can accrue to their organizations through effective management of channels activities and should seriously consider implementing the channels manager position.

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SERVICES MARKETING: THE MISCONSTRUED DISTRIBUTION VARIABLE

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ABSTRACT

Services marketing has become increasingly important in recent years to both marketing practice and marketing theory. Despite the heightened interest in services, when the marketing mix variables are considered, product, price, and promotion are singled out for examination, while distribution receives scant attention. The minimal attention given to distribution stems from the non-physical nature of services and the apparent inseparability between the producer, provider, and user of services. This paper challenges both physical distribution and inseparability assumptions and offers a reformulation of distributive service networks. The paper demonstrates the important multi-level distributive functions performed by service providers and service parents. Through this discussion marketing theorists are provided with an expanded and more sophisticated perspective on the distribution variable in services marketing.

INTRODUCTION

Interest in services marketing has blossomed among marketers in recent years. This interest stems, in part, from the growing services nature of the American economic system. Various estimates suggest that close to 50 cents out of every dollar spent in this country is allocated to services. Yet, despite the heightened interest in services, much of marketing thought is still mired in the tradition of the sale and distribution of tangible goods. To a great extent, this orientation stems from the historical roots of marketing thought. Early contributors to the discipline were especially interested in the distribution process. These authors focused on the roles of middlemen or intermediaries in moving goods (particularly commodities) from producers to consumers. Services received minimal attention since they do not move physically through distribution channels.

This long standing goods orientation colors the way that marketers view services even to this day. Even with the obvious significance of services, this area of the discipline is still approached from the perspective of product marketing. Using the product marketing base, writers proceed to simply note where services differ from goods. This in effect forces square pegs into round holes, and implicitly results in services marketing being treated as a subset of goods or product marketing.

In noting some of the unique features of services, marketers often use the marketing mix variables as a framework. Product, price, and promotion are singled out for special consideration. Distribution, on the other hand, receives scant attention. There are at least two reasons why the distribution variable is downplayed in the literature. The first reason was noted earlier in the sense that marketing's beginnings focused on the physical distribution of goods. Since services are not moved physically, there are few, if any, distribution considerations surrounding their marketing. This perspective, of course, is too limiting in that the distribution of services includes more than just a physical dimension. While services do not move physically through distribution channels, other marketing flows--e.g., information, risk taking--are performed by intermediaries within services channels. A health maintenance organization, for example, facilitates the flow of health information between the provider of the services, the medical doctor, and the consumer of the service, the patient. Although no physical flows exist, the HMO facilitates the exchange relationship between the doctor and the patient.

A second and perhaps more significant reason for minimizing the distribution variable is associated with the widely held inseparability assumption. This assumption simply holds that production and consumption are inseparable for services. This suggests that no middlemen are needed in services marketing and that the consumer cannot be separated from the production process (Bateson 1979; Bessom 1973; and Rathmell 1974). Lovelock's observations are representative of this position. He argues that services do not travel through channels of distribution and that the "service outlet is, in reality, a factory (1979)."

The thrust of much of this paper rests upon a challenge to the inseparability assumption. Our argument is that the producer of a service is not always the party responsible for dispensing the service to the consumer. In other words, intermediaries often do exist between the producers and users of many services not only to facilitate service distribution but also to accommodate consumer demands for the service offering. Sasser, Olsen and Wyckoff (1978) argue that consumers cannot benefit from a service without a distribution system. They add that this delivery component is often separate from the production of the service. The substantiation of this thesis would advance services marketing into this vital, and yet untapped, area of distribution in service industries.

In the next section of this paper the inseparability assumption is more directly challenged. This discussion is succeeded by an examination of the important distributive functions performed in services marketing. The existence of significant distributive functions is illustrated by the presence of two system entities, (referred to as service providers and service parents)¹ discussed later in the paper.

CHALLENGING THE INSEPARABILITY ASSUMPTION

Many examples exist of distribution channels and their associated intermediaries in service industries. These intermediaries perform a variety of roles and clearly refute the inseparability assumption.

Exhibit 1 illustrates three services and their use of distributive intermediaries. Throughout the 1970s, banks used retailers to encourage customers to apply for and use credit cards. Most insurance companies provide financial protection to individuals and businesses through a network of independent insurance agents. These intermediaries typically represent a variety of companies and are the primary marketing vehicle to the buyer. In the health care industry, hospitals have begun to provide care to outlying areas via free standing ambulatory and emergency care centers. Some of these centers are independent of the hospital, while others have a direct financial and organizational tie. In either case, the hos-

¹The term "service parent" is used in this paper to refer to all functions performed by the central distributive component of the services network. It is not intended to connote necessarily that a "parenting role" must be fulfilled by this entity.

pital provides resource support (e.g., personnel, equipment), but the free standing center is where the actual care is distributed to consumers.

EXHIBIT 1

INTERMEDIARIES USED IN THE DISTRIBUTION OF SELECTED SERVICES

<u>Service</u>	<u>Producer</u>	<u>Intermediary</u>
Credit Card	Bank	Retailer
Financial Protection	Insurance Company	Independent Insurance Agent
Health Care	Hospital	Free-standing Emergency and Ambulatory Care Center

The service related characteristics of inseparability and perishability have consistently been cited as unyielding barriers to the application of product channel/distribution concepts (Bateson 1978; Levitt 1981; Rathmell 1974; and Sasser, Olsen, and Wyckoff 1978). The simultaneous nature of both the production and consumption of services along with the inability to inventory services have resulted in very few efforts to address the distribution challenges in the services area. Donnelly (1976) argued that service marketers must make the distinction conceptually between the production and distribution of services; furthermore, he cites examples of distribution channels in a number of service industries (e.g., financial, health care, insurance, communication).

The true meaning of inseparability in services marketing is found quite simply in the term "service delivery system." A generic service such as credit, automobile maintenance, or lodging is provided at the point of contact with the consumer; hence, in a limited sense, service consumption and production are simultaneous. However, the actual service received may be considerably removed from the service originator in that service use/consumption may be only one component of the service exchange process. An example of this is home repair service exchanges, where plumbers, carpenters, painters and other skilled workers pay a fee to join the exchange and then benefit through the exchange's promotion and referral system. Although consumers, for instance, receive plumbing services, they also receive the service of an informational/referral system which also guarantees the quality of the job performed. All the exchange provides is the transfer of information from consumers to its membership, both in terms of consumer needs and quality of performance. The originator, therefore, takes on the responsibilities of a distribution system much like that of a voluntary chain.

EXPANDING THE DISTRIBUTION FOCUS

The problems associated with the inseparability assumption come into even clearer focus in considering the perspective of both the consumer and provider of services. Considering both of these perspectives expands the scope of the distribution of services while also refuting the inseparability assumption.

Based upon the design of a number of existing service networks, it appears that service organizations have identified that consumers encounter and purchase services at two levels. At one level the consumer must make a decision regarding the overall system network. Decisions at this level pertain to assurances by some distributive entity as to the quality of the providers within the service network, the availability/location of these service providers, and the overall nature of the service mix. The consumers' decision to commit themselves to the service network is a necessary first step to building repeat patronage and/or long-run satisfaction with service consumption. Numerous examples of distributive entities exist, includ-

ing time share condominiums, hotel chains, home maintenance exchanges, and automobile safety organizations. In all of these cases, the distributive entity provides (a) a fully integrated information network between the service providers and the distributive entity, (b) assurance of quality at the service offering level, and (c) through aggregate shared services a broader mix of services than could be provided by individual provider units.

The second level of the consumer decision process is the actual buying/consumption activity. A specific service provider is selected by the consumer in this process. At this level the service provider and the consumer are inseparable with a few exceptions (e.g., automatic tellers, sale by retailers of third party credit, travel insurance vending). This decision to select a particular service provider does not necessitate a service network decision on the part of the consumer. In other words, the consumer can choose to patronize an individual place of lodging without considering whether the local hotel is affiliated with a hotel chain. On the other hand, in failing to consider the existence and nature of a service network(s), the consumer increases the risk of experiencing poor service quality, inadequate information as to the availability of the service and misconceptions as to the extent of the service mix.

The services distribution networks described above can be dichotomized into two major bodies as follows:

1. Services Parent--this is typically the service originator to whom the consumer relies upon for adequacy in the service mix, assurance of satisfactory service quality, and information about the nature and availability of the service.
2. Services Consumption Provider--those facilities/services which directly interface with the consumer at the point of consumption and which are part of an overall distributive network.

The distinction between the service parent and service provider hinges upon a separation between information dissemination/network control and actual service consumption. This distinction is based on a multilevel view of the service offering. At one level, the parent organization controls the total service network through the accumulation, storage, retrieval and overall control of information which flows to and from its service provider entities. Information processing functions are conducted much like that of physical distribution functions with the parent operating as a distributive hub within the service network. At the other level, service providers participate directly in consumption exchanges with direct users.

REFORMULATING THE DISTRIBUTION VARIABLE

Service providers may be separated both physically and logistically from the service parent. Physical separation makes it possible for the service network to extend its geographic scope without necessitating duplications of information functions which can be cost effective. Illustrations of such networks abound. Samaritan Health Services operates in a southwestern metropolitan area through the use of satellite hospitals which provide general medical care services while the main hospital provides diagnostic and specialized services. Automobile Club of America provides a nationwide network of auto emergency services while dispensing and controlling both customer and provider information at national, regional, and local levels. Logistical separation takes place conceptually with regard to the distinction between parent functions, as they pertain to the service network, and provider functions at the customer level. A primary responsibility of the parent is one of facilitating information flows to and from the service provider and consumers. The provider benefits from this information link and is the party principally responsible for activities

occurring at the user/consumer level.

This revised conceptualization of the distribution function within services marketing depends upon the above stated reformulation. The channel from the service parent to the service provider becomes an information link. The strength of the channel is determined by the ability of the distributive network to construct a system which maintains an adequate level of information input/output to and from the service providers and users. This information link determines the degree of distributive control maintained by the parent and ultimately determines the parent's legitimacy. Furthermore, the effective communication of selected information is a significant determinant in attracting consumer use of the service.

A key feature of this multi-level perspective toward services marketing is that some degree of homogeneity among the service providers can be assured by the parent. This is a key feature of the proposed multi-level orientation in that independent providers can be controlled by the parent which counters previous concerns in the services literature regarding this aspect of distribution applications. Adequate information links, however, from the parent to both the providers and users enhances control by monitoring both channel membership as well as general satisfaction with the service offering. In addition, consumer confidence in the exchange process is enhanced because existing and potential users are dealing with a known service provider.

CONCLUSION

The distribution variable of the marketing mix has been essentially ignored by services marketers. Because of the widespread acceptance of the inseparability assumption marketers have focused on product, price and promotional issues. This limited focus fails to recognize the appearance of an expanding number and variety of distributive networks in services industries.

Physical separation between parent and provider in distributive service networks at the actual consumption level has been facilitated through advances in technology. The primary thrust of this separation has been essentially production rather than marketing in its orientation. There are, however, numerous examples of service organizations which have reached dominant positions in their market due to their ability to conceptually separate their providers from the distributive parent. This separation is based upon information flows and control, guarantees as to service quality, and system-wide abilities to provide a comprehensive service mix.

The reformulated perspective toward distributive service networks presented in this paper has applications for marketing practitioners and scholars. Marketing managers who are able to identify distribution opportunities within their service offerings are capable of seizing a significant advantage in their market. In many cases, managers are utilizing service networks which exhibit many of the characteristics espoused in this paper; however, this service network may not have been the conscious design of a distribution manager, but rather an accidental manifestation of aggressive product management. Marketing theorists may also benefit from this expanded and more sophisticated orientation by realizing that the inseparability of service providers and users is only one level of the total service network. Distributive service networks consist of a multitude of levels and control. The mere offering of the service for consumption is but one level and type of service within the total network.

The argument developed in this paper is a beginning step in reorienting marketers' perspectives toward the distribution issues in services marketing. Additional areas of needed investigation include:

1. consumer decision process(es) in service purchases as they relate to service networks. Investigation into this area may reveal additional opportunities for service channel applications based upon consumer demands for the service network.
2. benefits received by the provider as an affiliate of a service network.
3. behavioral issues among competing service networks.
4. the addressing of distributive networks from a distribution perspective vis-a-vis a product, promotional or pricing perspective by services marketing managers.
5. empirical investigations into distributive service networks' use of storage and retrieval activities both at an information and service level.
6. customer service considerations of service networks with regard to the distribution interface.

Further investigation into these and many other areas of distributive service networks will most assuredly provide a significant contribution to services marketing theory and practice.

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ABSTRACT

SHOPPER PERCEPTION OF SUPERMARKET PROMOTIONS

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The purpose of this study was to (1) determine consumer preference for supermarket games as opposed to double coupon promotions and (2) determine impressions of supermarket promotional games as perceived by supermarket managers and customers.

A survey of the literature showed that discount couponing was ranked as the most important promotion device by 74% of the non-supermarket companies. Support for this is evident from the fact that manufacturers spent \$582 million for properly redeemed coupons in 1978. In recent years, supermarkets have begun to utilize manufacturers' cents-off coupons as a store promotion device by offering to redeem them at double or triple face value.

Supermarket games may come in the form of BINGO or a modification of BINGO or a race format, among others. In 1981 shoppers won about \$20 million playing 27 forms of the supermarket games across the U.S. Supermarkets also spent an additional \$9 million on administration costs associated with running the game.

The study consisted of (1) a questionnaire to determine consumer preference for double coupons vs. supermarket games, (2) a questionnaire to obtain consumer views of supermarket games and (3) interviews of store managers to obtain their attitudes toward supermarket games. The surveys were conducted in a small community (12,000 population) with a larger trading area (approx. 35,000 population). It was done in the summer of 1982 at a time when unemployment was approaching 40% in the county. There were five major supermarkets in the area and some were playing a game and others were offering double coupons.

The results were as follows for the consumer opinions of supermarket games: 85% of the respondents would not go to a store solely because it offered a game 55% thought it was

a good idea to offer games; 55% felt that supermarket games added to the price of goods; and 41% thought supermarket games resulted in higher prices "sometimes". Interestingly enough, 45% of those surveyed had won something playing a promotional game.

Consumer preference for double coupons was overwhelming. Eighty-four percent of the respondents preferred double coupons to supermarket games. It appears that the immediate and guaranteed "payoff" of the double coupons was more appealing than the "chance winner" prospects of the games.

The store managers were unanimous in their agreement that the games would generate sales. They held firm on the notion that the games did not result in higher prices. The managers felt that games at other stores would not attract their loyal customers.

Although these studies cannot be generalized, they do offer some interesting points. The obvious consumer preference for the double coupons is in contrast to the supermarket managers who feel the games are the better promotional item designed to attract customers. The double coupon program is substantially more expensive than supermarket games. The games have been in the same general form for 17 years and it appears that consumers may prefer (1) the sure winner (double coupons) or (2) new formats for supermarket games.

There is a great deal of promise for further research in this area. One of the unique prospects for this area of research is that it is something students can do very readily. There's a literature base available and opportunities to provide valuable information in a local market. The research level is one with which students can readily identify.

USING THE COMPUTER AS A PLANNING AID
IN AN APPLIED MARKETING COURSE

Richard Kagel, Brigham Young University

ABSTRACT

Instructors teaching in applied areas, such as marketing planning and strategy, continually look for new techniques that simulate an actual business environment. The case study method is the traditional model used to make the subject matter as professionally realistic as possible.

An applied area that we teach is media planning and strategy. We use the traditional case study method. We remain convinced that no other approach provides as good a learning environment for this complex subject. Students in our course must deal with the many planning variables that make up an advertising media plan. Most of these, such as, the reach and frequency goals of an effective strategy, require a great many mathematical calculations that are, normally in professional settings, handled by computers. The computer, in media planning, has created a mini-industry devoted to analyzing, restructuring and modeling the information provided by syndicated research companies. These service organizations, such as Telmar, Interactive Marketing Systems (IMS), and Marketronics, are becoming very important to media planners.

We struggled with the task of introducing the use of the computer to our students as a media planning aid, as it might be available in professional settings. We asked the media service companies for help in terms of on-line computer time. The response was that if we were willing to pay like regular clients, they would accommodate us. Of course, the costs involved precluded following this line any further. We then inquired about the possibility of companies helping us set up our own systems on microcomputers. The answer was no, because of the protected nature of the simulations used in media modeling.

We then looked at the possibility of finding published software that would provide the models we needed to give our students the hands-on experience that would simulate actual media planning activities. We would be willing to buy the computers to match the software. There was no published software to be found.

The only reasonable alternative left was to buy our own microcomputer and program it ourselves. This has proved to be a highly satisfactory solution. We now have the capacity to tailor-write computer programs to match the specifications of our case studies. Writing programs is hard work, involving long hours, but we feel that we have made a successful start. The students seem to respond well to generating their own marketing data and we may even have some new interest to an old teaching method. At least the students are using the computer in a similar way that professional media planners would. This alone seems to justify the time and expense involved in the course development process.

For a copy of an example case and the accompanying computer program listing write to:

Professor Richard Kagel
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E-509 HFAC
Provo, Utah 84602

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IN AN APPLIED MARKETING COURSE

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The following case is one example we have developed to provide students with as realistic learning experience as possible. The case objectives were to have students buy newspaper space for a client based on specified marketing and media goals and to teach the use of four media planning variables: unduplicated reach², circulation³, cost per thousand (CPM)⁴, and newspaper coverage⁵.

These four terms were defined in textbooks available to the students. In laboratory classes, the use of the computer was taught and students were able to generate the infor-

mation they felt most important in making the marketing decisions. The complete case and computer listing follows. The program was written on a Radio Shack Model III in TRSDOS Basic and can be adapted easily for use on other microcomputers.

DOWNNEY SAVINGS AND LOAN NEWSPAPER MEDIA CASE

Downey Savings and Loan, founded in 1945, is a state-wide association with 25 offices in Southern California and has 20 offices in the San Francisco Bay Area. Assets are currently \$1.3 billion. The company has been steadily growing and this coming fiscal year management hopes to boost assets by 5 percent.

Currently, Downey has an advertising budget for the bay area of \$350,000: 50% radio, 25% direct mail, and 15% outdoor. The advertising budget will be increased to \$400,000 in order to introduce newspapers into the media mix. \$140,000 of the budget will be used strictly for newspapers. The company hopes that this amount will adequately cover the bay area market where the 20 offices are located. The target consumer is similar to Downey's prime competitor, Home Savings and Loan. Downey's Bay Area locations are: East San Jose (3), San Jose (2), San Francisco (2), Oakland (2), Berkeley (1), Palo Alto (2), Hayward (1), Fremont (1), Antioch (1), Walnut Creek (1), Concord (1), Livermore (1), Martinez (1), Milpitas (1), Richmond (1), Sunnyvale (2), San Mateo (2), Redwood City (2), Menlo Park (1), Cupertino (1).

Management has decided that the size of the ads would be the same in each location (about 1/2 page or 1050 lines). Downey's sales department has also indicated that the major thrust of business over the years has occurred during the months of September/October, December/January, March/April, June/July, especially the last and first 10 days between these months, i.e., (20th of September through the 10th of October).

Your Assignment:

Budget the \$140,000 to determine what buys would give the best coverage of each segment of the market. Determine the relative importance of coverage (reach), audience duplication and cost per thousand. Use the computer assistance program to help you make this determination. Include your printouts with the final report. Get a map of the Bay Area and determine where the offices are, relative to media coverage. (Use the most recent Standard Rate and Data Service edition available).

Determine the demographic/psychographic profile of the Downey customer using the Simmons Marketing Research data in the library. Use the case study format provided. Other possible sources include U.S. Census Data and Sales and Marketing Management Survey of Buying Power.

For Monday, turn in a type written report listing the Bay Area newspapers you would want to consider in the campaign, including circulation, coverage cost per 1050 lines. This will be used for your computer assisted analysis.

Report Format for Monday's Assignment

Newspaper Circulation Coverage Cost per 1050 Lines

Case Study Format

1. Title

Newspaper Media Plan for (client's name)

2. Map

Include a map of client's marketing region with

offices pin pointed. This is a good place to begin so you understand the geographic problems related to covering your market. As you refine and develop your buys, you might color-code areas of map which are covered by certain newspapers.

3. Target Market

Define customer profile

4. Style or Technique

Use inductive reasoning. State major points in opening summary. Don't make your plan into a suspense story with a surprise on each succeeding page. Here's one way to present your summary of the plan:

- A) Problem Statement: Considering management's goal to increase assets by 5% during the coming year, which newspapers should be used to maximize coverage (reach) and number of insertions in our market areas with _____ annual budget?
- B) State objectives and major decisions: Discuss coverage goals. Was budget large enough to make insertions every week in the year? Enough for every month in every market? Did you buy a paper in every market area?

Be as positive as possible in pointing out the strengths of your planning genius. If you encountered budget limitations, show how you solved the problem.
- C) Newspapers selected: List each paper or newspaper group and give rationale for your selections. Give major reasons why you chose the Mercury News, i.e., income, circulation, marketing coverage, etc.
- D) Newspapers rejected: Which (if any) major newspapers or newspaper groups did you reject? List each. Give rationale for decision.
- E) Timing: Considerable care and planning should be given here based on the parameters given in the case.

a) When did you advertise? What part of the week? What part of the month?

b) Frequency . . . how often did you make insertions? Did you skip any months?

5. Total Expenditure for Each Newspaper

<u>Newspaper Name</u>	<u>Budget Allocated</u>	<u>% of Total</u>
a) Daily Reporter	\$ 00,000	
b)	\$ 00,000	
c)	\$ 00,000	
d)	\$ 00,000	
e)	\$ 00,000	
	\$120,000	100%

6. Price Paid per Individual Ad Based () Lines

<u>Newspaper Name</u>	<u>Morning or Evening Paper</u>	<u>Sunday Paper</u>
a) <u>Daily Reporter</u>	Morning - \$0000.00 Minimal \$ 00.00	\$0000.00 Minimal
b) <u>Daily Babble</u>	Morning & Evening Combo \$0000.00 Minimal \$ 00.00	No buy

7. Flow Chart

8. Monthly Budget Summary

A) number of insertions

B) sub-total of budget allocation year-to-date

C) percent budget allocation

9. Appendix

Computer summaries⁶

PROGRAM LISTING

```

400 FOR I=1 TO N1
410 FOR J=1 TO N2
420 GOSUB 9900:GOTO 430
430 LPRINT TAB(10+4*(J-1));STR$(I);TAB(10+4*(J-1));STR$(J);
440 LPRINT:GOTO 450,460
450 NEXT J
460 NEXT I
500 LPRINT:LFPRINT:GOTO 510
510 LPRINT TAB(10);"ESTIMATED UNDUPLICATED PAGES:"
515 LPRINT:LFPRINT
520 FOR J=1 TO 6
530 R(J)=VAL:GOTO 540
540 NEXT J
550 LPRINT
555 IF L=1 THEN GOTO 560:GOTO 570
560 L=L+1
570 GOTO 540
575 IF L=1 THEN GOTO 580
580 L=L+1
585 CHECK=0:GOTO 590
590 GOTO 570
600 LPRINT TAB(10);"Unduplicated pages in EA: ABLE:"
710 LPRINT:UNDUP="###"
720 FOR J=1 TO 6
730 LPRINT
740 NEXT J
750 LPRINT TAB(10);"Verified in my presence:"
760 LPRINT:LFPRINT TAB(10);"46. the computer"
800 END
9999
9000 "CONTROL FOR DATA ENTRY
9005 GOSUB 9900
9010 BOSUB 225
9015 BOSUB 9900
9020 GOSUB 240
9025 BOSUB 9900
9030 GOSUB 260
9035 GOSUB 9900
9040 GOSUB 275
9045 GOSUB 9900
9050 N=N+1
9055 GOTO 9000
9060 END
9999
9100 "ERROR CORRECTION ROUTINE
9105 GOSUB 9900
9110 PRINT#9000,"ENTER NUMBER OF ROW: ";:INPUT Y
9120 GOSUB 9900
9125 PRINT#9000,"ENTER NUMBER OF COLUMN: ";:INPUT Z
9130 N=N
9135 N=Y
9140 ON Z GOSUB 225,240,260,275
9145 N=N
9150 GOSUB 9900
9155 RETURN
9900 PRINT#9000,STR$(N);": "
9905 STR$(Z);": "
9910 RETURN

```

SAMPLE PRINTOUT

Richard Kagel
565-89-7890

04/04/83 02:32:46

Computer-Assisted Project for
Downey Savings and Loan Case

<u>Newspaper</u>	<u>Circ.</u>	<u>Coverage</u>	<u>Cost/per 1050 Lines</u>	<u>CPM</u>
Sample News	35000	34	456.76	13.05
Daily Wit	3549	35	345.67	97.40
Ex Post Facto	25000	25	356.73	14.27

Estimated Unduplicated Reach:

Unduplicated reach for 3 newspapers in BAY AREA: 67.83

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¹ Jack Z. Sissors and Jim Surmanek, Advertising Media Planning, 2nd Ed., (Chicago, Ill.: Crain Books, Inc., 1982). 362.

Represents, through statistics the probabilities of exposing a percentage of the homes or people with a media vehicle, usually over a four week period.

reach % of vehicle A + (plus) reach % of vehicle B

(-) minus

$$\frac{\text{reach \% of vehicle A} \times (\text{times}) \text{ reach \% of vehicle B}}{\text{combined reach of vehicles A and B}}$$

² From Donald W. Jugenheimer and Peter B. Turk, Advertising Media, (Columbus, Ohio: Grid Publishing, Inc., 1980), 184.

³ The audience size of a newspaper is commonly measured in terms of the number of copies distributed per issue. This number, which is called circulation, includes all copied delivered to subscribers as well as those bought at newsstands or from other sellers. From Roger D. Wimmer and Joseph R. Dominick, Mass Media Research, An Introduction, (Belmont, CA: Wadsworth Publishing Co., 1983), 305.

⁴ Cost per Thousand (CPM) is a device for comparing media and is normally calculated on a weighted basis by media planners.

general formula

$$\text{CPM} = \frac{\text{cost} \times (\text{times}) 1,000}{\text{circulation}}$$

From Anthony F. McGann and J. Thomas Russell, Advertising Media, A Managerial Approach, (Homewood, Ill.: Richard D. Irwin, Inc., 1981), 92.

⁵ The percentage of persons (or homes) covered by a medium. From Jim Surmanek, Media Planning, A Quick and Easy Guide, (Chicago, Ill.: Crain Books, Inc., 1980), 132.

⁶ From case material developed by Dennis Martin, Brigham Young University.

ABSTRACT

THE MICROCOMPUTER AS AN ACADEMIC PRODUCTIVITY AMPLIFIER

Daniel R. Corrigan, Wichita State University
James E. Clark, Wichita State University
Lew Taylor, University of Nebraska

Students are purchasing microcomputers to improve their employability, to make their lives easier, and improve their understanding in courses such as marketing research and management science. Housewives are purchasing microcomputers to keep family budgets under control and to learn about this new technology in order to answer their children's questions about school work. Business executives are using microcomputers to solve problems, make faster improved decisions, and to advance their careers over their peers. Marketing educators do not appear at this time to be joining this mainstream movement toward computer literacy either by developing personal uses for this growing technology or encouraging students in their applications with small computers. A recent survey indicated that 34% of the students surveyed indicated that they either regularly used or owned a microcomputer while less than 10% of their business school faculty could make the same statement. A number of reasons were given by faculty for this apparent lack of interest:

1. A belief that there are more powerful and more easily usable computer facilities already available on campus.

2. A belief that to use the small machine would require major investments of time to use and program this new technology effectively.
3. A belief that good personal and teaching qualities already make them good teachers so there is no need to tinker with something that already works.
4. A belief that the software available is limited and inadequate.
5. A lack of resources to purchase and learn to use a microcomputer.

The major problem investigated in this paper is the gap between students, business, and societal uses of microcomputers and marketing educators use of this machine. Current applications that deal with some of the major reservations about microcomputer use by faculty will be identified and concluding statements will address these issues.

The concern for more economical use of students' time and efforts in pursuing their marketing education served as the basis for this study's hypotheses.

Effectiveness: Hypothesis 1 - The transfer of factual information is perceived to be more effective (relevant and applicable), but less efficient (less economically with a certain amount of wasted time and effort) through the LC than SC method. Hypothesis 2 - the development of intellectual abilities and skill is perceived to be equally effective and efficient by means of the LC or SC method. Hypothesis 3 - The enhancement of the affective sphere, that is, the formulation and change in terminal and instrumental values and attitudes is perceived to be more effective, but less efficient through the LC than SC method.

Results

If minor differences can serve as a base for a judgement, measuring students' perceptions of the effectiveness and efficiency of the long case compared to the short case method provided the following insights:

Hypothesis 1 - Developing the cognitive sphere, that is, the power of knowing, with the help of long cases, has been rated an effectiveness of 4.46 median points out of 5.0 points and only 4.03 median points for the application of short cases. The transfer of factual information (knowledge) as part of the cognitive development, however, has been similarly acknowledged by 3.96 median points for long cases and 3.98 median points for short cases. This is a difference of only .21 median points in favor of long cases.

The difference in terms of efficiency is even less: .15 median points, but this time in favor of short cases (3.87: 4.02).

The results thus confirm hypothesis 1: respondents perceived the use of long cases to be somewhat more effective, but less efficient than the use of short cases, though the difference in media grade points is minor.

Hypothesis 2 - The development of intellectual abilities (such as number facility, word fluency, visualizing ability, memory, perceptual speed, induction and verbal reasoning, and skill (the physical or mental performance that the individual has learned to do with ease and precision) is given high ratings for both effectiveness and efficiency. However, long cases seemed to have a marked higher effectiveness impact of .87 median points than short cases (4.95: 4.08), while little difference exists between their efficiency rating (4.85-4.77 = .08).

Hypothesis 2 therefore can only be confirmed in terms of efficiency, but not with regard to effectiveness.

Hypothesis 3 - An effective rating of 4.07 median points for long cases and 2.90 points for short cases clearly identifies the preference of students for long cases to enhance their affective sphere; that is, the progressive growth of their terminal and instrumental values and attitudes. On the other hand, the long case method is not considered to be less efficient by the respondents as expected. Rather, it is perceived as being .20 median points more efficient than the use of short cases (3.86:3.66).

Hypothesis 3 therefore can only partially (in terms of effectiveness) be confirmed.

Long Cases, Short Cases or Mix of Both?

In summary, respondents were subsequently asked:

If you had to choose between the long or short case method or a mix of both, which case method would you prefer in marketing education: Eighty-eight percent of all respon-

dents indicated a mix of both methods as their preference.

Implications

The development of intellectual abilities and skill of comprehension, application, evaluation, followed by analysis and synthesis are highly valued, while the transfer of specific information regarding individual business leaders, specific companies and industries is less appreciated. To be sure, this does not mean that respondents were not interested in this kind of factual information. However, they did not consider the case method to be an adequate vehicle for the conveyance and updating of this kind of knowledge.

The results clearly indicate that there are opportunities for the use of both case methods in teaching marketing courses.

Their merits will also depend on other variables which have not been measured in this study, such as

the objectives of the course,
the time which is available to course participants for class preparation,
the reading speed (a function of social and cultural perception and comprehension),
and the experience the respondent has had in his previous exposure to cases.

Study Limitations

This study has focused on the student's perception of the effectiveness and efficiency of the long vs. short case method. It has not tested the relationship of these two methods to a case method that balances the length of cases between those two extreme case methods keeping them to some 2-7 book pages. Also, this study did not explore the merits of combining both methods by alternating LC's with SC's according to the specific teaching objectives of each session.

Sampling was not based on a random design. Time and location of the study, the design of the questionnaire and the rather limited selection and variance in the quality and interest level of the cases introduced additional random disturbances which cannot be measured.

Additional Research Suggested

Above limitations of the study suggest the direction where further research is needed.

We know too little of students' perception of the value of different teaching methods--not only of the case method, but of the other approaches such as

case method using neither excessively long or short cases but those of moderate length
cases of known companies vs. cases of disguised companies
cases of local companies vs. cases of national companies, which are not represented locally
cases of specific companies vs. cases of whole industries
instructor's lecture
guest lecture
class discussion
student presentations
student projects
textbook (chapter reviews and chapter questions)
entrepreneurial vs. administrative perspective
small business vs. big business focus
computer game
field trips
programmed learning
audio-visual aids (movies, slides, transparencies, tapes)

and examination techniques by the objective question method

(True/False, Multiple Choice, Completion, Matching Pairs), essay exam and case exam.

We also do not know much about personality variables which profoundly affect the perception of the effectiveness and efficiency of different teaching methods. Further investigations into the role that the various teaching methods play in contributing to the learning process could shed more light in an important area of marketing education. A meaningful approach, however, should separately identify the effect of learning on the formation of specific and general environmental and managerial knowledge, on the development of intellectual abilities and skill of comprehension, application, analysis, synthesis and evaluation, on the Affective realm of formulation and change in values and attitudes and perhaps also on the Psychomotor domain of manipulative and motor skill enhancement.

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EXHIBIT 1 PERFORMANCE RATINGS FOR THE LONG CASE (LC) AND SHORT CASE (SC) METHOD

Attribute Number	Performance Attributes	Mean Effectiveness Rating*		Mean Efficiency Rating**	
		LC	SC	LC	SC
A	DEVELOPMENT OF THE COGNITIVE SPHERE (power of knowing)	4.46	4.03	4.36	4.40
	I. DEVELOPMENT OF FACTUAL INFORMATION (KNOWLEDGE)	3.96	3.98	3.87	4.02
	A. Specific information				
1	Individual business leaders, specific companies, specific industries	3.61	3.82	2.75	3.12
2	Recurring business problems	3.89	4.03	4.06	4.37
3	Professional terminology	3.27	3.06	2.98	3.50
	B. Environmental (external) information, such as physical, economic, political-legal and cultural variables	4.24	4.08	3.36	3.42
4	C. Managerial (internal) information				
5	Principles of how to manage people	3.86	3.96	4.01	4.20
6	Principles of how to manage physical assets and capital	3.93	3.61	4.32	4.32
7	Principles of how to manage information	4.02	3.69	4.28	4.31
	D. Marketing information				
8	Principles of product mix decisions	4.28	4.45	4.30	4.34
9	Principles of communication mix decisions	4.39	4.67	4.46	4.46
10	Principles of distribution mix decisions	4.15	4.43	4.18	4.19
	II. DEVELOPMENT OF INTELLECTUAL ABILITIES *** AND SKILL+ (power of reasoning)	4.95	4.08	4.85	4.77
11	Comprehension (conceptualization)	4.98	4.10	4.79	4.77
12	Application	4.95	4.19	4.74	4.76
13	Analysis	4.94	4.07	4.85	4.81
14	Synthesis, especially creative abilities and skill	4.98	3.78	4.98	4.62
15	Evaluation	4.91	4.24	4.90	4.90
B	DEVELOPMENT OF THE AFFECTIVE SPHERE (feelings)++	4.07	2.90	3.86	3.66
16	Formulation & Change in terminal and instrumental values	4.11	3.13	3.95	3.77
17	Formulation & Change in attitudes	4.02	2.66	3.76	3.54

*Measures "effectiveness" of the transmission process in terms of how students perceived the relevance and applicability of their newly acquired knowledge and affective change process by the comprehensive case and incident methods. Ratings were obtained from a five-point scale of "highly significant", "significant", "neutral/don't know", "insignificant" and "not significant at all".

**Measures "efficiency" of the learning process in terms of how much time and effort were wasted.

***Intellectual abilities according to Thurstone are composed of the seven relatively independent factors of number facility, word fluency, visualizing ability, memory, perceptual speed, induction and verbal reasoning.

+A skill is a physical or mental performance that the individual has learned to do with ease and precision.

++The Affect development is concerned with the progressive growth of feelings and emotions.

STUDENT EVALUATION OF IN-CLASS PRESENTATIONS

William A. Cohen, California State University, Los Angeles, Los Angeles

One of the most important skills for student hiring as well as for success on the job is oral communication skills. This was confirmed recently in a survey of employers of recent business school graduates. These employers were first asked to rank various skills as to importance in obtaining employment. Oral communications skills was ranked number two, out of nine items which included poise, personality, appearance, written communication skills, recommendations, social graces, and of course, school attended and grade point average. Employers were next asked to rank these skills as to their importance in success on the job. Oral communication skills was ranked number one.

Many universities require all business school students to take a course in communication skills, others do not. But in any case it would seem beneficial to the student to practice oral communication skills as applied to his or her business specialty whenever possible.

In an effort to sharpen the oral communication skills of our marketing students, for several years I have incorporated in-class student presentations of whatever report, marketing plan, marketing research, etc. was required in written form. While I believe this procedure has been of no small benefit to students making the presentation, its effects are generally an unrewarding experience for the remainder of the class even though it is generally felt that students definitely have something to learn from both the content and the style of the presentations of their classmates. Yet, it is difficult to motivate students to take full advantage of this additional opportunity to learn.

Recalling techniques used in training instructors in the Army, I implemented a procedure of student evaluation of in-class student evaluations on a trial basis. I was so pleased with the results, that after fine tuning I have adopted this technique in all classes in which student presentations are made. To date, I have supervised more than 800 student evaluations in thirty-three different marketing classes including Principles of Marketing, Principles of Advertising, Marketing Management, Marketing Research, Marketing Analysis and Strategy, Business Consulting, Consumer Behavior, Marketing for a New Business, Mail Order/Direct Response Marketing, and several graduate courses.

The general procedure followed is as follows:

1. Students receive a lecture on making the type of presentation required. They are not only taught presentation techniques, but are assigned a role for their presentation. For example, students making presentations of a marketing plan in a course "Marketing for a New Business" may be told that the object of their presentation is to secure funding for their project. They are therefore to consider the remainder of the class as potential investors.

2. Specific criteria for grading the presentation is supplied at the time of the lecture on presenting. These criteria are also contained on the student grading sheets. Exhibit I is a grading sheet with the grading criteria for research in consumer behavior presented in a course

on consumer behavior. Exhibit II is the grading sheet with criteria for a course in Business Consulting.

3. An explanation of the grading procedure is given at the time of the presentation lecture, as well as just prior to the presentations. Every effort is made to motivate honest and objective grading as well as a mildly competitive atmosphere for the presentations. To help foster the latter, a small prize, such as a pocket pointer is offered for the best presentation as determined by the overall student/professor presentation grade.

4. Immediately after the presentations, and before any comments from members of the class, or the instructor, the grading sheets are collected. Each grading sheet must be initiated by the student. (See Exhibits I and II).

5. The overall presentation grade is determined by first averaging the student grades and then averaging this grade with my grade. Thus, the student evaluation of their classmates presentations counts 50% of the overall presentation grade, and my own evaluation counts 50%. A sample calculation is shown in Exhibit III.

Clearly one major danger in student evaluations of other student presentations in this fashion is that the evaluations will not be honest or not based on the correct criteria. I believe the procedures followed have minimized this type of unwanted bias in the evaluations. The percentage point differences between the overall class average for the presentation and my own are usually very small. Typical results for presentations in various classes are shown in Exhibits IV, V, and VI. Note that while the range of grades awarded by the students are sometimes large, the average of the class grades when compared with my own are not. I believe this is true primarily because of the procedures followed. While there are occasional grades awarded on both high and low extremes, they tend to be few and are cancelled out by the majority of grades clustered about a class consensus of presentation performance.

The advantages of student participation in grading are several and they are not insignificant:

1. Students are no longer merely passive during presentations, but are observing the performance carefully.

2. Students learn more rapidly to be conscious of and to look for factors that the professor feels are important in content and in style of the presentation.

3. Students frequently are able to catch errors, or make suggestions which the professor may miss due to his concentration on evaluating the performance. I will discuss this more fully later.

4. Because the students know that their peers as well as the professor will be evaluating the performance, students tend to be motivated toward better preparation and higher performance.

5. Students learn to appreciate many facets of performance evaluation from the viewpoint of the professor.

Students are enthusiastic about the evaluations and what they learn from them. Despite extensive experience with this procedure, I have received very few negative comments.

¹Allen Blitstein, "What Employers Are Seeking in Business Graduates," The Collegiate Forum, Winter 1980/81.

CONFIDENTIAL PRESENTATION EVALUATION

BUSINESS CONSULTING

Participant(s) _____

Evaluation Factors

1. Introduction
2. Background of the Company
3. Problems/Solution Methodology
4. Conclusions/Recommendations
5. Use of Visual Aids, Models, etc.
6. Presenters Style
7. Enthusiasm
8. Persuasiveness
9. Ability to Stimulate and Answer Questions
10. Other _____

Recommended Grade _____ %

Your Initials _____

Please Return This Form To Me Immediately

EXHIBIT I

CONFIDENTIAL PRESENTATION EVALUATION

CONSUMER BEHAVIOR

Participant(s) _____

Evaluation Factors

1. Organization of Presentation
2. Content
3. Presenter(s) Style
4. Enthusiasm
5. Innovativeness
6. Creativity
7. Use of Training Aids (Visuals, Sample Products, Etc.)
8. Ability to Stimulate Questions
9. Ability to Answer Questions
10. Other _____

Recommended Grade _____ %

Your Initials _____

EXHIBIT II

SAMPLE CALCULATION

80
83
73
80
87
90
85
75
85
90
90
90
100
99
100
94
98
85
83
82
91
88
90
85
85
80
90
2,360 + 27 = 87.4 Class Average
89 Professor's Grade
176.4
+ 2
88 Presentation Grade

EXHIBIT III

CLASS GRADE AVERAGE, PROFESSOR'S GRADE, AND PRESENTATION GRADE IN A CONSUMER BEHAVIOR CLASS

Presentation No.	1	2	3	4	5	6	7
Range	82-100	70-95	69-100	70-100	70-100	50-90	78-100
Class Grade Average	96.42	82.66	79.1	86.75	86.6	75.1	87.7
Professor's Grade	93	85	75	87	90	83	84
Presentation Grade	95	84	84	91	85	81	84
Difference Between Professor's Grade and Presentation Grade	+2	-1	-1	-4	-2	+2	+4

	8	9	10	11	12	13	14	15	16
72-100	60-100	60-100	70-100	78-100	60-100	80-100	80-100	65-100	
89.5	83.12	87.4	87	89.91	84.4	91.7	90	83	
90	97	83	88	88	86	95	86	83.2	
90	97	88	88	89	85	94	99	83	
0	-3	-1	0	+1	-1	-1	-1	-0.2	

EXHIBIT IV

MARKETING INFORMATION IN MULTINATIONAL MANAGEMENT

Kyung-Il Chynn, University of Nevada, Reno
William R. King, University of Pittsburgh, Pittsburgh

Of particular concern to marketers and developers of marketing information systems is the role played by marketing information in the management of MNCs. Since many overseas business activities begin their development as distribution or assembly/sales operations, it is natural to expect that marketing information would play a major role in the information basis for MNC management decisions. Indeed, Keegan has concluded that it is the marketing variable that is regarded as the most important decision variable in international investment by MNC managers (Keegan 1967). Yet, Piper finds that political, social, economic and marketing variables have received substantially less attention than the financial variables by MNC managers (Piper 1971).

There is, of course, no dearth of theory to support the importance of marketing information to MNC management. For instance, Terpstra (1972) and others emphasize that the size of the overseas markets, their potential growth, competitive structure, distribution channels, and other marketing variables must be critical inputs to the development of customer-oriented MNC marketing strategies.

This paper seeks to empirically assess the importance of marketing information relative to other varieties of information in MNC management. Others who have sought a similar objective have either attempted to have managers recall several recent decisions situations (Keegan 1967) or to analyze investment feasibility studies (Piper 1971). Both of these approaches would appear to over-emphasize the rational and analytical aspects of decision-making.

In this study the emphasis is on the assessment of managers' perceptions of the relative importance of a wide array of different specific kinds of variables which are of potential utility to MNC management. These perceptions are obtained and statistically analyzed to shed light of the relative perceived informational needs of managers at different organizational levels with different responsibilities and with different personal experiences and backgrounds. This approach has advantages over the others that have been taken because it should not be so biased toward the objective and analytical and because the decision maker's perceptions of environmental factors are directly linked to the strategies into which they will guide their organization (Weick 1969).

METHODOLOGY

Data for the study were collected from a sample of 128 managers in a large U.S.-based MNC. These individuals were selected by the company as managers who were at the time actively involved in international business operations and who were located at U.S. based offices, including headquarters.

The perception data were obtained via questionnaires which arrayed 38 specific elements of information into six major categories. Table 1 shows these categories and specific informational elements as they are adapted from Piper (1971).

The MNC managers in the sample were asked to respond to each of the 38 informational items of a Likert-type scale ranging from "Very often Significant" to "Rarely Significant" as well as to provide information relating to their position, experience, etc. Sixty-four questionnaires were

returned of which 54 were usable for analysis. In addition, twelve personal interviews were conducted in order to supplement the formal responses.

The perception data were analyzed using multivariate discriminant analysis because it provides a way of assessing the statistical significance of differences in perceptions among various groups of manager-respondents with respect to the importance of the various informational elements. These analyses were carried out by the Clyde-Cramer approach using the Wilk's Lambda criterion (Cooley and Lohnes 1962). This program of multivariate discriminant analysis scans all variables and then selects those which contribute most to the separation of the predefined groups. The important points in the use of this tool in this situation are that: first, the discriminant functions are chosen in such a way as to maintain the greatest possible separation between the groups being compared; second, to determine the order of importance of the variables, discriminant functions are normalized so that their variance in each of the groups is unity; third, only statistically significant discriminant functions are used; fourth, a univariate F test is conducted in order to provide a basis for examining difference with respect to each of the individual variables by given managerial group. Finally, the extent of usefulness of a given discriminant function coefficient depends not only upon the reasonableness of the variables selected and the percentage of discriminable variance for which this function coefficient accounts, but also on the group mean vectors in the discriminant space (the extent of the distance between the group means of the separated groups). For this purpose, the group mean vectors are analyzed to identify which management groups differently perceive each class of variables.

TABLE 1
DECISION VARIABLES IN FOREIGN
INVESTMENT AND BUSINESS OPERATIONS

1. <u>Economic and Legal</u>	3. <u>Social</u>
Legal systems of host country	Social unrest
Host government attitude toward foreign investment	Religion/language/racial barriers
Demand and supply conditions for the product	Labor organizations
Restrictions on ownership	Public literacy
Tax laws	Public attitude toward foreign investment
Import/export restrictions	Living conditions for America managers and their families (schools, personal security, cultural difficulties, etc.)
GNP/per capita income	
Inflation	
Level of industrialization	
2. <u>Finance</u>	4. <u>Political</u>
Capital availability	Host government political system
Acquisition and merger	Political instability
Projection of cash flows	Relations with neighboring countries
Return on investment	Relations with supra-national organizations (UN, EEC, IMF, GATT, OECD, World Bank, etc.)
Monetary exchange	Political party factions
Insurance against risks (expropriation, nationalization, etc.)	

4. Political (continued)

Attitude of political opposition toward foreign investment
Military elite power in politics
Communist influence

5. Marketing

Market potential
Competition
Distribution channel systems
Production costs and pricing
Social/cultural factors
Impacting upon products

6. Technical and Engineering

Technology and its transferability
Raw material availability
Availability of cheap labor and trained management
Infrastructure to support business (electricity, telephone, roads, ports, etc.)

Respondents were analyzed in a variety of ways based on the following taxonomy:

1. Hierarchical levels (top, middle, and lower level managers)
2. Functional areas (Marketing, Finance, Planning, Engineering, and Production)
3. Product groups (Energy Product, Industrial Product, Consumer Product, and Management Services)
4. Line and staff
5. Overseas residence assignment (Residence Experience vs. No Residence Experience)
6. Overseas business trips (No trips, 1-10 trips, 11-20 trips, and 20-more trips)
7. Length of service (2-10 years, 11-20 years, 21-35 years)

THE OVERALL IMPORTANCE OF MARKETING INFORMATION

The overall relative ranking of the six major categories of variables is shown in Table 2 in terms of the raw mean scores from the Likert-scale responses. These data show marketing information ranked near the middle of the spectrum with financial information ranked highest and social information ranked lowest.

TABLE 2
MEAN SCORE VALUES FOR ALL RESPONDENTS
ON THE MAJOR ENVIRONMENTAL VARIABLES
(N = 54)

Variable	Mean
Financial	3.64
Economic/legal	3.22
Marketing	3.20
Political	2.99
Technical/engineering	2.98
Social	2.78

An analysis-of-variance test of these means leads to the conclusion that there is no significant difference except for the extreme pair--financial and social. Therefore, no valid conclusion can be drawn directly from Table 2 regarding the relative importance of marketing information.

However, it is interesting to contrast these results with those which might have been expected on other bases and with those obtained by others using other bases for measurement.

The relatively high degree of importance placed on financial information is not surprising. International operations requiring large capital investment have been expanding rapidly in importance to the company in question; it has purchased approximately 200 foreign subsidiaries since 1961.

Of the firm's 191 current overseas operations, 77% have principal activities which are classified as either "sales" or "manufacturing and sales". On this basis, it might have been hypothesized that marketing information would predominate or at least equal financial information in importance. Moreover, previous studies by Keegan, (1967) for international managers, and Aguilar (1967) for domestic managers, have concluded that marketing information is of greatest importance.

The low ranking of social information is also of significance to marketing. This confirms the finding by Piper (1971), and suggests that the social aspect of marketing analyses has not yet made great impact in the international domain.

Personal interviews with respondents tended to confirm the overall importance of financial information. These data were the most frequently mentioned in open-ended interviews. Many marketing managers even gave greatest importance to them. This was often manifested in comments regarding sales of the company's heavy equipment and the success of their turnkey projects were largely dependent on their customers' financial capabilities.

Of course, this apparent relative insignificance of marketing information may well reflect the overall composition of the sample. For instance, one might speculate that marketing information is of greatest significance to top management or to managers in capital good markets and that the broad population which is reflected in the responses of Table 2 serve to "wash out" these managerial segments. Because of this, analyses were conducted using the previously-noted managerial groupings as bases for defining management subpopulations which could be analyzed using discriminant analysis of the sample data.

ANALYSIS BY HIERARCHICAL LEVEL

The sampled managers were categorized by hierarchical level--top, middle, or lower management--and their responses were analyzed using discriminant analysis. This approach permits the assessment of the relative importance of categories of information on the basis of their relative importance of categories of information on the basis of their relative contribution to the discrimination "power." (Cooley and Fahnes 1962).

Table 3 shows the means, standard deviations and the results of the discriminant analysis for the six categories of information for the three management hierarchical levels. Wilk's Lambda criterion is used to assess the significance of the discrimination.

The discriminant function shows that the relative importance of the six categories of variables is (1) Political, (2) Social, (3) Financial, (4) Economic/legal, (5) Market, and (6) Technical engineering. The single largest contributor to the group separation along the discriminant function is the Political variable and the group difference is significant at $P < .001$. This means that the chance of producing group difference this large or larger by drawing three random respondents from a six-dimensional multivariate swarm is less than one in one thousand.

Thus, the hypothesis is that the three hierarchical groups display the same values regarding all six categories of information cannot be confirmed. This means that the three groups of managers do indeed tend to reflect differences in their perception of the relative importance of various informational elements. However, marketing variables do not play an important role in the differences in perception. (This is confirmed by a univariate F test on the marketing variable alone.)

TABLE 3
HIERARCHICAL LEVELS MEANS AND (STANDARD DEVIATIONS)
(N = 54)

Variables	Top (n=16)	Middle (n=21)	Lower (n=17)
Economic/ legal	3.91 (.73)	3.29 (.86)	2.50 (.81)
Financial	3.94 (.75)	3.74 (.84)	3.22 (1.27)
Marketing	3.24 (.98)	3.26 (1.23)	3.11 (1.37)
Political	4.42 (.35)	2.71 (.79)	2.01 (.41)
Social	3.16 (1.00)	3.11 (.92)	2.07 (.94)
Technical/ engineering	3.13 (.99)	2.90 (1.06)	2.98 (1.37)
Discriminant Function =	.348E1 + .378F + .129M + .900P + .392S + .055Te (A = .899, P<.001)		

where E1=Economic legal; F=Finance, M=Marketing; P=Political; S=Social, Te=Technical/engineering

ANALYSIS BY FUNCTIONAL AREA

Table 4 shows similar data on Table 3 as arrayed by the functional assignment of the respondent. The discriminant function is again significant, thus indicating a difference in the perceptions of these groups. However, the functional analysis shows marketing information to be of second importance to technical and engineering information in discriminating among functional groupings. What is striking in these results is the degree of parochialism displayed by the various functional groups regarding "their" information-marketing people regard marketing information as most significant, while technical people see technical information as most important and financial people see financial data as being of greatest significance.

TABLE 4
FUNCTIONAL AREAS MEANS AND (STANDARD DEVIATIONS)
(N = 54)

Variable	Marketing (n=10)	Financial (n=10)	Planning (n=15)
Economic/ legal	3.13 (.96)	2.94 (1.17)	3.78 (.83)
Financial	3.19 (.99)	4.56 (.39)	3.74 (.61)
Marketing	4.38 (.68)	2.90 (1.27)	3.49 (.87)
Political	2.86 (1.17)	2.31 (.91)	2.68 (.88)
Social	3.24 (1.04)	1.81 (.48)	2.83 (.98)
Technical/ engineering	2.39 (.48)	2.06 (.44)	2.71 (.96)
		Engineering (n=12)	Production (n=7)
Economic/ legal		2.87 (.71)	3.27 (1.13)
Financial		2.83 (1.07)	4.13 (.88)
Marketing		2.43 (1.11)	2.66 (1.02)
Political		2.18 (.46)	4.13 (.95)
Social		2.93 (1.16)	3.28 (.99)
Technical/ engineering		4.10 (.99)	3.89 (.94)
Discriminant Function =	.168E1 - .282F + .697M + .231P + .121S - .885Te (A = .783, P<.001)		

ANALYSIS BY PRODUCT GROUP

Table 5 shows similar data arrayed by product group. The MNC in this study has three distinct product lines--energy products, heavy industrial products, and consumer products. Each group has its own president who reports to the corporate chairman. Included in this product line group analysis consists of four product groups.

One of the most striking findings revealed here is that despite the fact that each product group (except Management

Service) has its own marketing department and carries its own marketing programs, the Marketing variable is regarded as the least important. This view is consistent with managers in all four product groups as verified by the result of the univariate F test.

TABLE 5
PRODUCT GROUPS MEANS AND (STANDARD DEVIATIONS)
(N = 54)

Variable	Energy Product	Industry Product
Economic/legal	3.11 (.71)	3.65 (.87)
Financial	3.07 (1.23)	3.24 (1.16)
Marketing	2.95 (1.19)	3.77 (.98)
Political	2.62 (1.05)	3.99 (1.01)
Social	3.56 (1.13)	3.13 (1.19)
Technical/ engineering	3.64 (1.05)	3.55 (1.18)
	Consumer Product	Management Service
Economic/legal	2.54 (.77)	3.45 (1.06)
Financial	3.58 (.92)	4.05 (.69)
Marketing	2.95 (1.49)	3.24 (1.09)
Political	2.33 (.77)	3.15 (1.11)
Social	3.18 (1.11)	2.39 (.87)
Technical/ engineering	3.18 (1.29)	2.43 (.81)
Discriminant Function =	.385E1 + .195F - .002M + .552P - .691S - .54Te (A = .653, P<.001)	

ANALYSIS BY LINE AND STAFF

A discriminant function based on line versus staff groupings also was significant (Lambda = 0.657) which is significant at $p > .001$. Again the marketing variable was the least important in the discrimination. The most important variables in the analysis based on this dichotomous grouping were the "technical and engineering" category.

ANALYSES ON BASIS OF MANAGERS' PERSONAL EXPERIENCE AND BACKGROUND

Similar analysis were conducted using the three elements of managers' personal experience and background--overseas residence assignment, overseas business trips and length of service. Although all respondents for this study are directly involved in international operations, some managers (33 out of 54 respondents) had no overseas business trip. With this information, several questions are posed. Do different personal experiences have any bearing on the determination of the relative importance of environmental variables for international business decisions? To what extent do MNC managers with different experiences perceive the Marketing variable as important? Is there any significant difference among managers with different experiences with respect to the Marketing information?

Again, the results were surprising with regard to the importance of marketing information. Managers with different experience bases tend to perceive uniformly relative low importance to marketing information as compared with financial and economic/legal information. This is shown by the three discriminant functions which are summarized in Table 6.

TABLE 6
DISCRIMINANT FUNCTION COEFFICIENTS
FOR GROUPINGS BASED ON EXPERIENCE

- Overseas Residence Assignment Experiences
 $D_5 = .127E1 - .401F + .072M + .066P + .968S - .040Te$
(A = .745, P<.001)
- Overseas Business Trips (9n number)
 $D_6 = .601E1 - .070F + .037M + .626P + .568S + .048Te$
(A = .694, P<.002)
- Length of Services (in years)
 $D_7 = .377E1 - .310F + .131M + .635P - .005S + .389Te$

CONCLUSIONS

The results of this study are in striking contrast to those of previous studies which have tended to demonstrate the great importance of marketing information to management. They also contrast sharply with the generally accepted marketing wisdom that sees marketing information as crucial to the successful management of multi-national corporations. The perceptions of managers in the one large MNC studied suggest a relative de-emphasis of marketing information and a relatively greater emphasis on political and economic/legal information.

This de-emphasis is consistent throughout all management levels; product groups, and personal backgrounds and for both line and staff people. The only significant departure from this lack of emphasis of marketing information was in the analysis by function which showed a great degree of parochialism on the part of marketing managers as well as other functional managers.

These results are particularly significant since all of these groupings of the respondent managers did result in significant differences with regard to the overall perceived importance of various kinds of information. Marketing information simply played a relatively minor part in these differences.

It is certainly possible that the product lines of the MNC -- which tend toward high technology - high cost capital goods -- or some other unique characteristics serve to explain these results. However, the potential implications of these results to management and to the field of marketing are great. Is there, in fact, a tendency for MNC's to make decisions less on the basis of marketing information than is the case in other environments? What will the impact of this be on decisions and on the field called international marketing? Will there be less emphasis on the development of marketing information systems in these environments than there is domestically? The expanding importance of MNCs suggests that it is important to marketing that these questions be answered.

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ABSTRACT

A NEW INTERNATIONAL MARKETING ERA FOR U.S. SMALL AND MEDIUM-SIZE BUSINESSES?

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As products of Western Europe and Japan flooded world markets in the 1960's and 1970's, U.S. domination of the foreign marketplace, and our own domestic market, steadily eroded. Past experience has left U.S. companies and the U.S. government ill-prepared for developing and implementing a competitively effective global strategic posture.

As early as 1916, the FTC observed: "In seeking business abroad American . . . producers must meet aggressive competition from powerful foreign combinations. . . If Americans were to enter the world markets on more nearly equal terms. . . they (have) to be free to unite their efforts." The FTC found that doubt and fear as to antitrust restrictions prevented Americans from developing equally effective organizations for overseas business and that smaller concerns suffered particularly. Thus, in 1918 the Webb-Pomerene Act made it possible for independent American producers of competing products (not services) to join forces in export (not import) activities without being subject to certain Sherman Antitrust Act constraints. Otherwise-competing firms could form Webb-Pomerene Export Associations (WPEAs) which could set prices, standardize products and offer major benefits via exploiting economies of scale. For two major reasons the WPEA has not been adequate: (1) inability of members to cooperate effectively and (2) relatedly continuing concerns regarding potential antitrust prosecutions of potentially collusive actions.

About 80% of U.S. manufactured products sold abroad are provided by only about 200 large multinational corporations (LMNCs). However, in October 1982, President Reagan signed the Export Trading Company (ETC) Act. This historic legislation now affords many small and medium-size businesses (SMBs) an unprecedented potential opportunity to seek out foreign sales aggressively.

Due to foreign competition much of American industry was losing market share both at home and abroad. The most formidable competitors were the Japanese. At the heart of the Japanese organizational strength is the Sogo Shosha, or Japanese general trading companies, which spearhead overseas sales efforts. They join the technological and productive strengths of Japanese industry, the financial capabilities of banks, the cooperative assistance of the government, and the international marketing expertise and intelligence network of the Sogo Shosha itself.

The same elements which make the Sogo Shosha successful are latently present in the U.S. The ETC Act is intended to facilitate the combination of those elements. An Export Trading Company (ETC) is defined as doing business in the U.S., under the laws of the U.S. or any state, and organized principally to export goods and/or services produced in the U.S. and/or to facilitate exportation of goods or services produced in the U.S. by unrelated companies, or to facilitate exports by unaffiliated persons. It can be owned by foreigners and can import, barter, and arrange sales between third countries, as well as export.

The Act permits and encourages equity investments in ETCs by certain types of banking institutions, which can markedly expand the ability of the ETC to finance trade. Also, international banks have extensive information networks, sophisticated international management skills and tools, and high-level industry and political contacts that the ETC can exploit.

Under the Act, it is assumed exporting activity which only affects foreign commerce will not violate the Sherman Act or Section 5 of the FTC Act, unless it has a "direct, substantial and foreseeable effect" on U.S. dom-

estic commerce or on export trade of a U.S. competitor. With U.S. Department of Justice concurrence, the U.S. Department of Commerce will issue certificates to ETC applicants who establish that their export trading activities will not offend any of four major tests, the standards of which--at this writing--remain somewhat ambiguous and open to interpretation. Nevertheless, while "Certified ETCs" will not be completely immune from federal and state antitrust lawsuits, generally their conduct will be presumed to be lawful. Also, the Act limits a successful plaintiff's remedies to only actual damages and/or an injunction. Unlike the ETC Act, the Webb-Pomerene Act provided no preclearance certification procedure and does not protect the WPEA against the filing of private treble damage suits; nor does it cover export of services.

Is the ETC destined to become the vital "missing link" in the U.S. international channel structure that will restore the U.S. to its former preeminence in foreign marketplaces now dominated by the Japanese and Western Europeans? The response is wide ranging depending on how the ETC system is conceptualized and implemented, both by LMNCs and SMBs.

Some LMNCs may be potential organizers of ETCs. Acting through its ETC arm, the LMNC may be able to "piggyback" on its existing international distribution network potentially three categories of products of otherwise non-affiliated producers, i.e. unrelated, complementary and even competitive products. However, as yet no ETC has actually been certified. Until standards are published and their interpretation is known, the future of the LMNC form of ETC is very uncertain.

The ETC's organizational structure and thrust should mirror its competitive strengths, strategic objectives, and relevant environments. Four fundamental strategic forms are likely to evolve: (1) the Product-Oriented ETC, (2) the Geographic Market-Oriented ETC, (3) the Project-Oriented ETC, and (4) the Regional-Oriented ETC. The latter is potentially the most complex form of ETC. It represents an amalgamation of the strategic perspectives of the other three forms. Its unique mission derives from its sponsorship by a public or quasi-public body, such as a state economic development agency, a port authority, or a chamber of commerce. The regional-oriented ETC may be driven toward a matrix organization. Similarly, many Japanese Sogo Shosha are matrix organizations operating on a gigantic scale. It is essential to recognize that these four strategic forms imply very different marketing approaches, human skills, and control systems--as well as objectives.

America's SMBs tend to be innovative, fast-moving, and accustomed to offering specialized products (or services) to fill market niches or producing in limited volume. These qualities are uniquely suited to the developing world, the sector often projected to include the most significant growth markets through the remainder of the 20th century. Markets which may be "too small" for the LMNC could be major opportunities for smaller companies caught in a declining or stabilized U.S. market, if they can be linked to foreign buyers by a channel structured around the new ETCs. Many smaller companies have not sold overseas in the past because they lacked the sophisticated international capabilities of the LMNC. With the ETC these capabilities may now be feasible.

In the future, the ETC Act of 1982 may be considered the landmark event that effectively catapulted U.S. SMBs into the world marketplace. America's "Sogo Shosha" may now be in the making--and the U.S. government gradually changing from adversary to advocate for such U.S. firms.

3) They also argue that the international material in most beginning texts is an appendage and is not integrated into the other material.

4) Either another required course would have to be removed from the curriculum or an elective would have to be eliminated.

These and other factors were considered at the University of South Alabama. The balance of this paper describes the process we followed in developing our international business program.

Since its inception in 1964, the University of South Alabama located in Mobile, Alabama's only seaport, has been cognizant of the necessity to train students in international business. Initially, the College of Business and Management Studies offered as electives (1) international marketing, (2) international finance, and (3) comparative management systems.

In 1974, the Marketing Department, after a long-range planning session, decided to offer a specialization in international business. An entry level course, international business, and an export-import procedures course were added. The comparative management course was moved to the department and was organized as a capstone course. Simultaneously, a program in transportation was initiated after a survey of industry in Southern Alabama indicated that it was needed. Because of the close relationship between transportation and foreign trade in Mobile, both programs were structured so that the majors in one specialization could take courses in the other.

As with most programs, the initial growth of the international business specialization was slow. In our search for additional students, we encountered a gold mine -- language majors. A minor in international business was designed to include all of our international business courses plus the prerequisites. The idea proved successful. For the first two years, over 50 percent of the students in the international business classes were either international studies or language majors from Arts and Sciences. Another source of students was the principles of marketing course required of all business majors. When the international marketing chapter was to be covered, the professor of international business came in to give the lectures. The importance of knowing something about foreign business practices especially in a port city such as Mobile was emphasized. This tactic worked, and more students were recruited.

In 1976, the College of Business and Management Studies was accredited by AACSB at the undergraduate level. At that time the dean and the faculty were acutely aware of the AACSB standard. Although we offered various courses in international business, the great majority of business students were being graduated without having taken even one of them. We knew that there was little, if any, class discussion of the international aspects of any of the business functions. Most of the faculty members were unprepared, and few of the basic textbooks were adequate.

After various discussions with the chairman of the marketing and transportation department, the dean appointed a committee consisting of three professors with international experience. They were to examine the two alternatives of (1) requiring an international business course of all business majors, and (2) internationalizing the entry level courses of the functional areas. After examining the available textbooks and the capabilities of the faculty, the committee decision was unanimous: all business majors should be required to take the entry level course, international business.

When this recommendation was presented to the college curriculum committee, both the international business committee chairman and the dean appeared to urge that

it be accepted. The motion passed. The proposal now had to be presented to the faculty.

Those who were in favor of requiring international business of all business students realized that there was considerable opposition on the part of some faculty members to adding any required courses, and thus it was decided to postpone faculty vote. During this interim, two faculty members, one of whom was from a department that had demonstrated little interest in the international area, were sent to AACSB-sponsored international workshops. The funds to defray the cost of the trips were obtained from a small U.S. Department of Education grant given to the University for the purpose of curriculum internationalization on a campus-wide basis.

When the proposal to require international business of all business students was brought before the faculty, both professors who had attended the workshops spoke out strongly in its favor. The dean and others, sensing a concern among some of the faculty that a department was about to have another required course, pointed out that the international business courses covers material from all functional areas and that members from all departments would have an opportunity to teach it. Faculty members were also reminded that we were not only fulfilling AACSB requirement, but that we were also better preparing our graduates for employment. The proposal was approved and became effective September, 1980.

The necessity to increase the sections of international business from the present two to seven or eight annually will not be immediate because of a grandfather clause in our catalog. Only incoming freshmen and transfer students will be affected in the coming academic year. To help man the additional sections, we have received approval from the Fulbright Committee to bring in a foreign businessman for a year. We are confident that he, the two professors who attended the workshop, and the faculty who now teach in the international business area will be able to staff the course. Two years later when all business majors will be taking the course, we shall need another international business professor.

The international business course has been well received both by the students and the business community. As a result of this publicity, our graduate students required that we offer International Business in our MBA program. Approximately forty students now take the graduate course which is offered once a year.

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BUSINESS STUDENTS LOOK HARD AT ADVERTISING AND MARKETING

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ABSTRACT

The attitudes of business students versus non-business students toward advertising and marketing are compared. Results are discussed in terms of both the institutions of advertising and marketing, and their instruments.

INTRODUCTION

Advertising and marketing have encountered many criticisms in past decades including, for example, "Advertising creates demand and persuades people to buy products that they do not need." Such criticisms have often evoked negative attitudes among the general public. However, in other instances the public's outlook toward advertising and marketing may be improving, attributable in part to increasing regulatory measures (e.g., FTC substantiation program) and businesses becoming generally more sensitive to consumers.

Undoubtedly, an important group of consumers is students, for the future decision-making responsibilities of the country will be inherited by them. The attitudes of business students are especially important, because future advertising and marketing decisions will be their responsibility. While some work has been reported in the area of college student attitudes toward advertising and marketing, very limited work has specifically focused on the attitudes of business students.

BACKGROUND

Advertising and marketing practices are being challenged today, not only in the name of the consumer, but by the consumer directly. Consumer advocacy has grown to such a powerful magnitude that politicians have responded with legislation aimed at curbing deceptive practices. With the growing number of consumer advocates, businesses cannot afford to dismiss these attacks with the idea that they will pass.

Although businesses seem to have adopted the marketing concept (i.e., need satisfaction) the public still questions whether businesses' own interests are congruent with the interests of the consumer. In a survey of 785 households, Barksdale and Darden (1972) found many consumers believed that manufacturers typically evade responsibility to the consumer and concentrate only on profit maximization. Further dissatisfactions were realized when a majority of respondents expressed a desire for minimal quality standards to be set on similar products. They also expressed a desire to regulate sales and marketing activities. It appears that the public's image of advertising and marketing has been one of dissatisfaction.

Businesses are for the most part aware of the public's negative attitude. A survey of Harvard Business Review subscribers (Greyser 1971) found strong feelings concerning the enforcement of an advertising code of ethics. These business professionals felt that the public's image of advertising had become increasingly negative. However, these same executives felt they had become more sensitive to consumers. Further, Greyser and Diamond (1974) revealed that a majority of business executives accepted consumerism as a positive force in the market place. Thus, it seems that the public's dissatisfaction has been recognized by those in business and a change might be on the way.

The attitudes of students toward advertising and marketing seem to parallel those of the general public. Not only are a large proportion of students dissatisfied with the practices of advertising and marketing, but these negative attitudes have in some instances steered students away from business careers. In a survey of students at a private liberal arts college for men, Laurie (1966) reported many academically superior students steered away from careers in business. Laurie concluded that the most significant reason for students not selecting business careers dealt with the discrepancy between student and business related values. He also found that faculty failed to guide students into the business area, and the environment of a large corporation seemed "repressive" to many students. Interestingly, students with business career intentions possessed more positive attitudes than those not interested in a business career.

Although little empirical work has been conducted to compare the attitudes of business with non-business students toward advertising and marketing, Hawkins and Cocanougher (1972) compared each groups' attitudes toward marketing practices. They found business majors tolerated questionable marketing practices to a greater degree than non-business majors. Additionally, senior business majors tolerated such practices to a greater degree than junior business majors. It appears that increased knowledge in business related activities made students more tolerant of practices that some consider questionable.

In a study conducted by Sandage and Leckenby (1980), student attitudes toward advertising were traced from 1960 to 1978. Based on their findings, criticisms directed at advertising exist on two levels: 1. Institution (that which holds the total advertising process is neither socially nor economically justified); and 2. Instrument (that which is directed against the method of individual practitioners). They found that students believed, as did business people in the Greyser study, that advertising can serve a societal and consumer education function. Very few respondents in the Sandage and Leckenby study reported that advertising (the institution) did not contribute as a function of the economy. However, a majority felt that advertisements did not accurately represent the product. Thus, it seems that student criticisms are primarily directed at the instrument of advertising.

In short, the results of the work reviewed concerning advertising and marketing have revealed somewhat negative attitudes toward advertising and marketing. However, there are indications that things may be changing. New regulations and the growing concern among businesses may actually be improving attitudes of the public. Due to the lack of recent information, and the fact that business students are an important segment of the population, the purpose of this article is to assess the attitudes of students in general toward advertising and marketing, and then to specifically compare the attitudes of business versus non-business majors.

METHODOLOGY

Arizona State University was selected as the sampling frame for this investigation of student attitudes toward advertising and marketing because of the diverse demo-

*Marketing students at Arizona State University at the time this study was conducted.

graphic characteristics among its students. Volunteer subjects within the nine colleges of the University were represented in the sample, which was proportionately balanced to correspond to the size of each college. A chi-squared test comparing the number of those sampled from each college to the population supported the stratified sample's reliability in that no significant difference ($p < .05$) existed between the sample and the population.

A total of 1000 self-administered questionnaires were distributed in classroom contexts during a one-week period. The areas included in the questionnaire encompassed the degree of knowledge, general attitudes, and reaction to various advertising and marketing techniques, as well as media habits and demographics. The confidentiality of responses was ensured. The data were coded and entered via the computer facilities at Arizona State University. The key findings are next discussed.

FINDINGS

Findings of this study are aggregated into three areas. First, overall descriptive statistics are discussed to provide a general overview of how respondents answered (i.e., positive, neutral, negative). Second, a comparison of business students' versus non-business students' responses are discussed. Finally, the institution/instrument question is discussed to assess if attitudes concerning the "institutions" of advertising and marketing differ from attitudes concerning their "instruments." As noted earlier, the criticisms of the institution hold that the total advertising or marketing process is neither socially nor economically justified, and criticisms of the instrument are directed against the methods of individual practitioners.

Table 1 illustrates the proportionate breakdown of responses to each attitudinal item, as well as the mean score for each. The median for the Likert-scale items was 3.0. Mean scores above the median inferred positive attitudes and mean scores below the median inferred negative attitudes. However, the questionnaire was designed to include neutral responses, thus, the need to establish a range of neutrality existed. This neutral area was operationalized as twenty-five percent of the total range centered around the median. The mean scores ranged from 1.990 to 3.781. Thus, mean scores 3.250 and above represented positive attitudes, mean scores between 3.250 and 2.750 represented neutral attitudes and mean scores 2.750 and below represented negative attitudes.

Only four of the 16 items (3, 11, 14, and 17) had mean scores that reflected overall positive attitudes. There were six items (2, 4, 5, 7, 8 and 10) that reflected overall neutral attitudes. However, the remaining six items (6, 9, 12, 13, 15 and 16) reflected negative attitudes from the respondents.

The next step in the analysis was to compare the responses of business students versus the responses of non-business students. This was accomplished via statistical t-tests which indicated the level of significance between each groups' responses. Significant differences ($p < .05$) were found to exist between groups in 10 of the 16 items. In every case where a significant difference was found, business students indicated a higher level of positive attitude than non-business students. Items showing no significant difference were 4, 9, 11, 12, 16 and 17 (see Table 2).

At this point in the analysis, it appeared that student attitudes concerning advertising and marketing were subject to whether the item was institution- or instrument-related. In an attempt to investigate these differences, it was necessary to operationalize the items used in the evaluation of attitudes toward the institutions and instruments of advertising and marketing. Marketing's institution was represented by item 11; marketing's instruments by item 7. Advertising's institution was represented by item 14; its

instruments were represented by items 6 and 15.

The analysis began by examining the institution and instruments of marketing. Item 7 ("Businesses confuse consumers by offering too many products that do the same thing") was intended to reflect attitudes toward marketing's instruments, and item 11 ("Non-profit organizations can benefit from marketing activities") was intended to reflect attitudes toward the institution of marketing. The pattern of responses to these two items were each crosstabulated against item 2, which identified the purpose of marketing. Only those respondents who were aware of marketing's purpose were considered in these crosstabulations. Of the 651 respondents that either "agreed" or "strongly agreed" with the purpose of marketing, a significantly greater ($p < .05$) proportion held negative attitudes (43.6%) versus those with either neutral (24.4%) or positive (32.0%) attitudes concerning the marketing instrument.

When item 11 (marketing institution) was crosstabulated against item 2 (the purpose of marketing), results indicating positive attitudes were uncovered. Of those who "agreed" or "strongly agreed" with the purpose of marketing, over 76 percent had positive attitudes concerning marketing's role in non-profit organizations. In this case, the number of positive attitudes was greater ($p < .05$) than either the number of neutral or negative attitudes. These results show that many of the students with knowledge of the purpose of marketing held negative attitudes toward marketing's instruments; yet, many of these same students held positive attitudes concerning the institution of marketing.

The next step in the analysis was to examine attitudes toward the institution and instruments of advertising. In this case, item 17 ("Individuals put more trust in advertised products than unadvertised products") was crosstabulated against various instrument items (6 and 15) along with an institution item (14). This was done to ascertain if students responded in a positive manner to one type of item and then responded in a negative manner to the other (institution/instrument).

Because of their content, item 6 ("Advertising persuades people to buy products they don't really need") and item 15 ("Advertisements are used to manipulate the consumer"), were selected as the most representative of attitudes toward the advertising instrument. The results gathered from comparing each of these items to item 17 were very similar ($X^2 = 2.23$; $\alpha = .05$). In the first case (item 6 against item 17), 49.2% held positive attitudes concerning the institution of advertising but also held negative attitudes concerning the instruments of advertising. The second crosstabulation (item 15 against item 17) yielded 51.0% with positive institution attitudes, but negative instrument attitudes.

However, when item 15 ("Advertising is valuable to the consumer"), an institution item, was crosstabulated against item 17, the greatest number of respondents (40.8%) held positive attitudes toward both items. As was the case with marketing, it appears that students hold significantly ($p < .05$) more positive attitudes toward advertising's institution than they do toward advertising's instruments.

CONCLUSIONS

Based on the findings, it appears that business students' attitudes differ from non-business students; and on the whole, attitudes toward advertising and marketing are still relatively negative among students. In every case where significant differences resulted, business students indicated a higher level of positive attitudes than non-business students. Thus, it appears that business students' attitudes not only differ from non-business students, but their attitudes are more favorable toward advertising and marketing. This conclusion seems consistent with the findings of Hawkins and Cocanougher (1972), who found that

business students accepted questionable marketing practices to a greater degree than non-business students.

A greater proportion of items reflected negative attitudes; thus, it appears logical to conclude that overall attitudes are still negative. However, in comparison to the findings of Barksdale and Darden (1972), it seems that attitudes are perhaps somewhat less negative. The content of item 10 (the social responsibility of business) seemed to compare most specifically to the content of the Barksdale and Darden study. While Barksdale and Darden revealed primarily negative findings, item 10 in the current study reflected an overall neutral attitude (mean score = 2.981).

Laurie (1966) reported that attitudes were negative and many students steered away from business careers because of a discrepancy between student and business-related values. However, enrollment in business colleges have shown a noticeable increase. For example, Arizona State University's College of Business Administration has grown from 17% of the University's total enrollment in 1968 to 30% in 1981. Evidently students are choosing business careers, but results from this study show that attitudes are still negative overall. It appears that the reason may not be because of the discrepancy between student and business-related values.

Perhaps, the reason can be traced to the instrument/institution question. As Sandage and Lockenby (1980) noted, the criticism of the instruments of advertising were much more negative than of the institution. This study uncovered similar results. Items pertaining to advertising and marketing instruments yielded more negative results than items pertaining to their institutions. It is conceivable that students' negative attitudes are due to greater exposure to the instruments of advertising and marketing.

The implications of these findings indicate that the primary area for improvement by businesses and educators is in the instruments of advertising and marketing. They both need image building. Perhaps this can be achieved through various social marketing programs aimed specifically at curbing negative attitudes. As noted earlier, students are an important consumer segment. According to the findings of this study, the attitudes of students toward advertising and marketing are relatively negative. Although in most cases, the attitudes of business students toward advertising and marketing were significantly more positive than those of non-business students, their attitudes were still basically somewhat negative. It would behoove businesses and educators to improve upon the images of advertising and marketing in the minds of students, especially business students, as they will assume the responsibilities of advertising and marketing in the future.

TABLE 1
PERCENTAGE STATISTICS

Please indicate the amount of Agreement/Disagreement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean Score
2. The principle purpose of advertising is to provide the consumer with the needed information to make a logical decision.	7.0%	29.3%	16.6%	33.8%	13.4%	2.828
3. The principle purpose of marketing is to identify consumer wants and needs, and to provide products to satisfy these wants and needs.	18.5	50.7	13.7	13.8	3.2	3.676
4. Advertising influences college students less than other people.	4.8	19.8	22.0	42.9	10.5	3.346
5. Over the past few years, the informative nature of advertising has improved.	7.9	39.7	19.3	24.8	8.4	3.138
6. Advertising persuades people to buy things they don't really need.	23.3	48.0	15.1	11.6	1.9	2.208
7. Businesses confuse consumers by offering too many products that do the same thing.	13.9	34.0	24.2	23.9	3.9	2.699
8. Comparing two or more products in an advertisement aids the consumer in making sound decisions.	5.5	26.6	24.2	34.9	8.7	2.853
9. When products are compared in an advertisement, the competitor's products are shown in an inferior manner.	27.5	53.7	11.2	5.6	1.4	1.990
10. American businesses have recently shown a more socially responsible attitude toward consumers.	4.8	34.0	25.9	25.1	10.2	2.981
11. Non-profit organizations (medical foundations, churches, etc.) can benefit from marketing activities, such as advertising and marketing research.	22.0	50.8	14.3	8.5	4.3	3.781
12. Higher prices result from advertising.	23.2	41.9	17.0	14.5	3.4	2.330
13. Advertisements contain adequate information about products.	.09	13.3	24.8	45.8	15.0	2.394
14. Advertising is valuable to the consumer.	8.5	49.4	27.2	10.5	4.5	3.408
15. Advertisements are used to manipulate the consumer.	21.3	51.0	17.5	7.8	1.4	2.161
16. Consumers need to be protected from advertisers by regulatory measures.	26.7	43.7	13.2	10.5	5.9	2.250
17. Individuals put more trust in advertised products than unadvertised products.	15.0	52.3	16.3	13.3	3.0	3.631

In items 4, 6, 7, 9, 12, 15 and 16

1 = Strongly Agree

5 = Strongly Disagree

In items 2, 3, 5, 8, 10, 11, 13, 14 and 17

1 = Strongly Disagree

5 = Strongly Agree

N = 943

TABLE 2

STATISTICAL COMPARISON OF ATTITUDES
BUSINESS VERSUS NON-BUSINESS STUDENTS

ITEM	BUSINESS STUDENTS		NON-BUSINESS STUDENTS		t-scores
	Mean	Std. Dev.	Mean	Std. Dev.	
2	2.99	1.08	2.75	1.24	2.96*
3	3.93	0.92	3.54	1.06	5.60*
4	3.32	1.06	3.37	1.06	0.66
5	3.35	1.03	3.04	1.16	4.03*
6	2.40	0.97	2.10	0.98	4.45*
7	3.02	1.04	2.52	1.34	5.86*
8	2.98	1.05	2.79	1.09	2.38*
9	2.00	0.83	1.98	0.90	0.33
10	3.39	1.01	2.83	1.07	7.74*
11	3.79	1.15	3.78	0.94	0.14
12	2.28	1.06	2.35	1.10	0.94
13	2.53	0.90	2.32	0.93	3.32*
14	3.66	0.83	3.38	0.98	4.37*
15	2.33	0.89	2.08	0.90	4.07*
16	2.35	1.18	2.21	1.11	1.79
17	3.57	0.97	3.66	1.00	1.33

*p < .05

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A CONTENT ANALYSIS OF DISCLAIMERS IN CHILDREN'S TELEVISION ADVERTISING

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ABSTRACT

This study was designed to update, clarify and expand an earlier piece of research which investigated the role of televised disclaimers in children's advertising. The current study examines the incidence, form, positioning, language level and variance by product category of a sample of nearly 1,000 advertisements televised during children's programs.

INTRODUCTION

Over the past decade, concern about advertising to children has been on the increase. In the early 1970's, studies of television programming and how it affects children were initially conducted. These studies generated a great deal of information and raised our consciousness about potential effects on very young audiences. Many of the study results reinforced concerns about the vulnerability of children to promotional suggestion and their lack of cognitive ability to reject false situations or discern between products as portrayed on screen and products as they perform and exist in "real-life."

Another reason for concern exists because children spend a large amount of time watching television. One study found that American children between the ages of 4 and 12 watch an average of 24 hours of television per week (Broadcasting 1976). Not all of the commercials that children watch advertise child-oriented products; in fact, approximately 40% of the amount was spent watching programs produced for adults. Studies have shown, however, that younger children pay more attention to commercials broadcast during children's programming than do older children (age 9-10) who paid more attention to commercials during prime time viewing (Ward, Levinson and Wackman 1971). Apparently commercials broadcast during children's programming are designed to capture the younger child's attention by the use of cartoon characters, music, subjective camera angles and editing.

It was with these advertising practices in mind that the National Association of Broadcasters (NAB) and the National Advertising Division of the Better Business Bureau (NAD) developed codes for children's advertising with sections which state the need for "positive disclosures" or "disclaimers" to be broadcast within an ad. These voluntary codes, coupled with FTC cases and court interpretations on deception in advertising, have caused the use of disclaimers in children's advertising to become very common, especially in certain product categories.

A BRIEF REVIEW OF RELATED LITERATURE

A number of studies have been conducted to determine the effects of television and television advertising on child audiences. Fewer studies have looked specifically at the impact of disclaimers in negating misleading or deceptive impressions gained when viewing the ad. Barcus (1975) per-

formed a content analysis of children's weekend television commercials in 1975 and found that 22% of the commercials had an audio disclaimer, 11% had a visual disclaimer and only 8% had both an audio and visual disclaimer. A study by Atkin (1975) found that the least used disclaimer format (both audio and visual) was the most effective presentation in order to correct a misleading impression in the ad.

Liebert et al. (1977) found that the current terminology level used in advertising to children renders them somewhat ineffective in helping the child correct a misleading impression formed by watching an advertisement. They also found that using a modified form of the disclaimer, such as "you have to put it together," instead of "some assembly required," was understood much more often. They also found that 10-year-olds were more than twice as likely to understand the disclaimer "partial assembly required" than 5-year-olds. This indicates the maturity level found with age helps to increase the effectiveness of disclaimers as presently worded.

In another study, Stern and Resnik (1978) found that disclaimers as presently worded do not correct the misperception caused by the visual impression formed by a commercial. Children ages 3 to 6 were not able to understand a disclaimer whose purpose was to correct a misleading impression created by the visual impact of the commercial.

Studies have also shown that a child's vulnerability to advertising is an inverse relationship with age. Since experience and maturity increase with age, it is reasonable to expect older children to better understand commercials and be less receptive to product claims. A study conducted by Rossiter and Robertson (1974) found maturity level of be the most significant factor in a child's ability to assess advertisements.

The use of audio and visual disclaimers are instituted on a voluntary basis by advertisers to correct the possibility of misperceptions in their ads and to protect them from possible charges of deception.

Purpose of the Study

This study will attempt to analyze several factors related to disclaimers appearing in ads during children's programming. Where possible, comparisons will be made with the Barcus (1975) study, although statistical comparisons will not occur since the two samples are quite dissimilar in configuration. This decision not to statistically compare the results of the two studies stems from the basic difference between Barcus' data base (weekend only) and this expanded sample (weekday and weekend). To verify the difference between weekend and weekday ads as they relate to disclaimers, a chi-square was run (see Table 1) on the current data which proved significant at $p < .005$.

TABLE 1
COMPARISON OF WEEKDAY AND WEEKEND TV ADS
ON THE BASIS OF THEIR DISCLAIMER STATUS

	Weekday	Weekend
Contains a Disclaimer	80	290
Does Not Contain a Disclaimer	183	423

$$\chi^2 = 8.58, 1 \text{ df}, p < .005$$

This shows that weekpart and disclaimer status are significantly related. Given that as the case, comparisons between the two studies would be like comparing apples and oranges.

No one has sought to determine if any changes have been made since Barcus' (1975) studies. The authors felt a need to update and more deeply investigate the area of disclaimers and so this study was conducted to research the role, incidence and characteristics of disclaimers in children's television advertising. This study looked at weekday as well as weekend commercials and incorporated a much larger sample base (976 commercials) than any other related content study has heretofore undertaken.

METHOD

A disclaimer is defined as a statement or disclosure made with the purpose of clarifying or qualifying misleading or deceptive statements made within an advertisement. Common examples of disclaimers include: "each sold separately," "part of this nutritious breakfast," and "some assembly required."

Program Selection

Videotape recordings were made of major network programming (ABC, CBS, NBC) during a six-week period during January-February, 1980. Two weeks of children's programming were taped for each network on a randomly-rotating basis. Each children's program for the specific week and selected network was taped for later analysis. The videotapes of the programming included the commercial advertisements, network program announcements and public service announcements. This analysis did not consider network program announcements as commercials; therefore, they were not analyzed.

Analysis of Commercials

The videotapes of the programming (63 hours total) were viewed by an observer who studied each of the commercials and analyzed them according to criteria established by the authors. Each commercial was categorized by product category, after which a determination was made as to whether the commercial included a disclaimer. If the commercial did not contain a disclaimer, the assistant timed the length of the commercial, noted the time of day, whether it was weekday or weekend programming, and recorded which network broadcast it. If a commercial used a disclaimer, a determination was made as to its form - whether audio, visual or both audio and visual. The "both" category only occurred if the same message was shown and spoken at the same time. If a different verbal message was spoken at the same time a different visual message showed on the screen,

it was counted as two separate disclaimers. Other information about the disclaimer which were recorded include actual length of the disclaimer in seconds; position of the disclaimer within the ad according to beginning, middle or end; and the terminology level used, whether adult or child. Additionally, the actual terminology of the disclaimer was written out for each disclaimer, and due to common phraseology of many responses, it was possible to group like phrases into several categories. In total, of the 63 hours of programming, there were 976 commercials taped and analyzed for the evidence of disclaimer content. Because the nature of the information to be analyzed was of a factual rather than a judgmental nature, only one observer was utilized, and therefore no reliability measures are offered.

RESULTS

Incidence

Of the 976 commercials analyzed, 367 contained a disclaimer (some commercials contained more than one disclaimer). Table 2 details this finding:

TABLE 2
INCIDENCE OF DISCLAIMERS IN COMMERCIALS

	Number of Responses	Percent of Total
No Disclaimer	609	62.4%
Disclaimer for Product	350	35.9
Disclaimer for Premium	12	1.2
Disclaimer for Both	5	.5
TOTAL	976	100.0%

Over one-third of all commercials contained a disclaimer. Most were disclaimers for a product, while only 1.2% were for a premium offering and only .5% utilized a disclaimer for both product and premium. This corresponds with the low incidence of premium offers in the commercials. The Barcus (1975) study found that 41% of his weekend sample contained disclaimers and that 47% of the cereals product category utilized premium offers and that of the total commercial announcements studied, 17% utilized premiums. The large difference between the two studies could be attributed to varying definitions of premiums. Any minor differences, however, could not account for that great a difference. It may be possible that the incidence of premium offers is cyclical or seasonal and may be affected on a regional basis. No definite answers, however, are forthcoming from the data obtained in this study.

Form

The next aspect of disclaimers analyzed was the form of the disclaimer, whether audio, visual or both audio and visual. Table 3 details the responses:

TABLE 3
FORM OF DISCLAIMERS

	Number of Responses	Percent of Total Disclaimers	Percent of Total Ads
Audio	222	60.5%	22.7%
Visual	111	30.2	11.4
Audio and Visual	34	9.3	3.4
TOTAL	367	100.0%	

Of the total number of commercials with disclaimers present, 60.5% employed an audio form of disclaimer. They were more than twice as frequent as the visual disclaimer (30.2%) and it is interesting to note that only 9.3% of the commercials using disclaimers utilized both audio and visual format, the format deemed most effective in producing understanding. These results offer some similarities to the Barcus (1975) results. The proportion of audio only and visual only disclaimers in the entire sample of ads were nearly identical to the Barcus figures. The proportion of ads containing a combination audio-visual disclaimer was much higher in the Barcus study (8% of the total sample) in comparison with the current figure representing 3.4% of all ads sampled. Therefore, the combined audio-visual mode of disclaimer communication is being used less now, eight years after it was determined to be the most effective in producing understanding in children (Atkin 1975).

Position of Disclaimer

An overwhelming number of disclaimers (61.6%) appeared at the end of the commercial. The remaining disclaimers appeared in the middle of the ad (22.1%) and at the beginning (16.3%). These findings (see Table 4) would appear to be consistent with the primacy-recency literature which recommends that later placement would bring about greater recall and learning.

TABLE 4
POSITION OF DISCLAIMER IN AD

	Number of Responses	Percent of Total
Beginning	60	16.3%
Middle	81	22.1
End	226	61.6
TOTAL	367	100.0%

Length and Language of Disclaimers

The overwhelming majority of disclaimers were 2-3 seconds in length (83.6%) and were contained in mostly 30-second commercials. In this study, 100% of the disclaimers used adult language. Not one disclaimer was presented in language that most young children could understand. As pointed out in Liebert et al. (1977), a greater percentage of older children (over 8 years of age) can understand the adult terminology. Younger audiences, however, are vulnerable; therefore, disclaimers using adult language have not served their intended purpose of facilitating understanding.

Product Categories Using Disclaimers

The information in Table 5 supports the hypothesis that breakfast foods and toys make heavy use of disclaimers, however, confectionary products were found not to use disclaimers. The proportion of confectionary ads in the total sample is much smaller than in Barcus' (1975) study, while the incidence of breakfast ads is much more prominent now than in the past. It is interesting that 81.7% of the commercials using disclaimers were in the breakfast products

TABLE 5
PRODUCT CATEGORY USING DISCLAIMERS

Product Category	No Disclaimer	Disclaimer	% of Category Using Disclaimers
Public service	162	0	0%
Toys	44	61	58.1
Confectionary	114	0	0
Breakfast	39	300	88.5
Health care	48	0	0
Clothing	9	0	0
Restaurant	50	6	10.7
Soft drinks	3	0	0
Other foods	34	0	0
Other	106	0	0
TOTAL	609	367	100.0

category, indicating the need to correct the impression given to children that the cereal products are sufficiently nutritious by themselves. They made use of disclaimers such as "part of this nutritious breakfast," "part of a complete breakfast," and "fortified with 10 essential vitamins and minerals," to correct the impression that cereal alone was a sufficient and nutritious breakfast. 58% of the toy commercials made use of a specific category of disclaimer. "Sold separately" was the disclaimer response occurring in 98.4% of the commercials for toys. None of the toy commercials contained disclaimers designed to counteract misleading impressions formed by watching the toy operate in the best possible environment. The most common overall disclaimer phraseology was "part of this nutritious breakfast," followed by "fortified with 8/10 essential vitamins and minerals" and "sold separately." These three responses represented 89.1% of the total disclaimers (see Table 6).

TABLE 6
ACTUAL TERMINOLOGY USED IN DISCLAIMERS

	Number of Responses	Percent of Total
Part of this nutritious breakfast	145	39.5%
Fortified with 8/10 vitamins/minerals	122	33.2
Sold separately	60	16.4
Part of this complete breakfast	19	5.2
Brushes not included	13	3.5
Others	8	2.2
TOTAL	367	100.0%

SUMMARY AND CONCLUSIONS

A synopsis of this study's highlights reflect several findings in the area of disclaimers. It was found that disclaimers appear in just over one-third of all children's commercials. The breakfast products category constitutes the major user of disclaimers, with toy products a distant second. Regarding the disclaimer itself, all of the sample utilized adult terminology in a time frame of 2-3 seconds. The majority of disclaimers are inserted at the end of a commercial and occur in an audio format. The greatest concentration of commercials was found in weekend programming which contained a heavy concentration of breakfast and toy commercials. Finally, it was discovered that there are only a few basic groups of similarly worded disclaimers that can be differentiated according to product category.

Implications

From an evaluative standpoint, it appears that advertisers are still missing the boat by using disclaimers with adult language that is less apt to be understood, and by using sub-optimal (audio only or visual only) modes of communication to convey the message. Are disclaimers, then, used to fulfill their primary purpose of reducing misleading impressions or, in fact, are advertisers using them to satisfy industry and government pressures? Whichever the motivation, it is entirely conceivable that the presence of disclaimers can make children vulnerable to advertising influence.

The use of a disclaimer itself suggests that some aspect of an ad is inconsistent and/or needs qualification. Where this phenomenon occurs, ads might be considered misleading when disclaimers are absent. When disclaimers are present and use difficult to understand (adult) language and sub-optimal (audio or video only) formats, the full meaning of the message could produce even higher levels of misperception or confusion by the child viewer. Given the empirical evidence supporting the language level and format of the disclaimers which were used, it is safe to say that the advertiser is capable of making attempts. Children are even more vulnerable to their influence. Clearly, this would imply that the use of disclaimers benefits advertisers more than the needs of the child-oriented viewing audience.

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ABSTRACT

COMPARATIVE ADVERTISING: AN INVESTIGATION OF ITS INFORMATIONAL DIMENSIONS

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INTRODUCTION

In the last ten years, there has been an increasing interest in the impact of comparative advertising. This development is a direct result of the 1972 FTC pronouncement that encouraged advertisers to name their competitors rather than refer to them as "Brand X." The purpose of the FTC statement was to enable the consumer to receive more information in order to make a more informed choice between competing products.

The issue addressed in this paper is whether or not comparative magazine advertisements are more informative than noncomparative advertisements. An ad is informative if it provides cues which enable a consumer to make a more intelligent purchase decision after exposure to the ad than before seeing it. Although the incidence of comparative advertising has been increasing, little has been done to assess the informativeness of its content. Previous research has focused on the informativeness of advertising in general and not on the informativeness of comparative vs. noncomparative ads.

METHOD

This study used a classification system based on 15 criteria that represented categories of advertising information potentially of use to consumers. The 15 categories were: (1) Independent Research, (2) Company Research, (3) New Ideas, (4) Price, (5) Quality, (6) Performance, (7) Components/Contents, (8) Availability, (9) Special Offers, (10) Taste, (11) Nutrition, (12) Packaging or Shape, (13) Guarantees/Warranties, (14) Safety and (15) Energy (Resnik and Stern 1977).

Data for the study were generated from Ladies Home Journal, Newsweek, Esquire and Reader's Digest. These magazines are nationally distributed with varied editorial appeal. All full-page ads in each issue for the year 1980 were included in the analysis. A total of 2,395 ads were content analyzed. The following research questions were investigated:

1. Are comparative advertisements more informative than noncomparative advertisements?
2. What is the nature of the information content in comparative ads?
3. Does the number of products compared influence the degree of informativeness of comparative advertisements?
4. Which product groups have the greatest numbers of informative comparative advertisements?

RESULTS

The results of the study strongly indicated that comparative magazine ads are more informative than their noncomparative counterparts. 90.7 percent of the comparative ads contained at least one information cue. Only 59.7 percent of the noncomparative ads had at least one information cue.

The nature of the information cues found in comparative ads related to primary product attributes or research-based justification of claims. Product performance accounted for 23.5 percent of the comparative information cues. Cues concerning company research (20.3%), components or contents (19.9%), independent research (12.2%), quality (10.6%) and price (5.8%) were also important.

The comparison of two products is the most common format for comparative ads. 81.8 percent of the comparative ads were of this type. There was a tendency for ads that compared more than two products to be considered as more informative than ads that compared just two products. The number of information cues present was greater in these cases.

Medicine and durable products had the highest proportion of ads that were both comparative and informative. Personal care and laundry and household products had a high proportion of informative ads although most of the ads were not comparative.

CONCLUSION

The primary contribution of this study is the finding that comparative advertisements are indeed more informative than noncomparative advertisements. This finding supports the original intent of the FTC when it encouraged comparison in advertising in order to provide the consumer with more information to make purchase decisions. This rational approach to consumer decision making would also be expected to lead to greater purchase satisfaction.

Information cues concerning product performance, research, components, quality and price were most often stressed in the magazine ads. These categories of information represent basic areas of interest to the consumer in the purchase decision. The heavy reliance on research-related cues is indicative of a desire by advertisers to document their product claims as well as satisfy regulatory requirements.

A comparison of two products is the most popular format. Medicine and durable products had the highest proportions of informative comparative ads. Food and drink ads had the lowest proportions.

Although this study did demonstrate the superior information content of comparative ads, it did not address the importance of the cues or their effectiveness in facilitating persuasion. Future research might be directed to this issue.

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ATTITUDINAL SEGMENTATION:
A NEW PERSPECTIVE ON TRANSPORTATION PLANNING

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ABSTRACT

Public participation in transportation planning is required by law. Such input can be obtained through representative surveys. And the survey data can be used to understand the preferences of different segments in anticipation of open meetings. In this paper the preferences of four segments, environmentalists, tax haters, localists, and bus haters, are explored as an example.

INTRODUCTION

Public participation has been part of transportation planning for some time. Experience has revealed both positive and negative aspects. Participation creates a sense of community involvement and has allowed the people to halt projects they consider to be onerous; but "public participation" frequently becomes special interest lobbying and sometimes results in conflicts among partisan groups which can paralyze the entire planning process (Cupps 1977).

Both of these problems with public participation stem from the fact that the "public" is not a single homogeneous entity with identical needs and preferences. Instead, the "public" is an amalgam of many different groups, each with unique demands and requirements. Some groups are represented in the public participation arena by partisan advocates. Other groups have no voice (Wellman 1977).

Recognizing the diversity in public participation calls for market segmentation, the process of identifying groups of people with different desires or requirements. It is commonly accomplished in the sphere of consumer products with the aid of geographic, demographic and psychographic characteristics. Attitudinal segmentation may be necessary because attitudes often cut across numerous geographic or demographic categories (Wellman 1977).

Typically, market segmentation analysis is accomplished through scientific surveys of the entire population. Surveys not only enable planners to identify the needs of different segments but also to associate the needs empirically with attitudes and other personal characteristics which cause needs.

The survey process has two advantages over other methods of public participation. Carefully designed surveys will reflect opinions of the population as a whole and not merely the expressions of highly active special interest groups. This will insure democratic participation in transportation planning (Brown, et al. 1978).

Surveys can also be used as tools in the resolution of conflicts among interest groups. In the first place, the mistake of creating some conflicts can be avoided by determining beforehand that what appears to be a neutral overall feeling on the part of the public is really an average of multiple, highly polarized positions. In the second place some conflicts which do crop up may be mediated by understanding the parties to the debate. Understanding their motivations may enable the planner to work out compromises of quid pro quo bargains.

AN EXAMPLE OF ATTITUDE SEGMENTATION

This paper asks the following question: Can general attitudes be used to identify segments that can be used by transportation planners to define their publics? The test of this question became possible through analysis of data from survey conducted for the Oregon Department of Transportation in the Spring of 1977 by a commercial research organization. A cluster sampling procedure was employed to ensure representation of major urban areas and adequate coverage of rural areas. Approximately 800 personal interviews were completed. An extensive questionnaire was used, covering both national and state-wide transportation issues. All the questions in the present analysis utilized a seven-point scale indicating agreement or disagreement.

Four questions were used to define general attitude positions, each would be viewed as substantially independent of any specific transportation decisions:

1. I consider myself to be environmentalist. (ENVIRONMENTALISTS)
2. I would vote against any tax increase. (TAX HATERS)
3. People in the state government in Salem do not understand our local transportation problems. (LOCALISTS)
4. I would not ride a bus even if it were free. (BUS HATERS)

For all groups but the ENVIRONMENTALISTS, the two extreme response categories at each end of the seven point attitude scale were used to define segment positions. Only a response indicating extreme agreement was used to define the ENVIRONMENTALIST segment. In Oregon, it may be difficult for people to reject environmentalism completely.

Responses for members of the three segments were compared with the remainder of the sample using cross tabulation and Chi square significance tests. As if they were voting, responses were compared on 17 questions indicating whether or not they felt that the Oregon Department of Transportation should take a particular action.

Hypotheses were formed a priori on the basis of logical relationships between the four general attitude positions and the 17 more specific questions relating to ODOT activities. For example, the ENVIRONMENTALISTS should be in favor of acts of conservation such as the retention of the 55 mile per hour speed limit. The objective was not merely to discover how ENVIRONMENTALISTS would vote, but more important, to find out if being in this group would dictate a different response compared to a non-environmentalist.

RESULTS

A substantial number of respondents identified themselves as members of each segment: 199 ENVIRONMENTALISTS, 394 TAX HATERS, 250 LOCALISTS, and 99 BUS HATERS. Since these segments were not mutually exclusive, they were cross-tabulated with each other to investigate the possibility of association among segments. There was little association between membership in one segment and membership in others.

Transportation issues were divided into two categories: general transportation issues (TABLE I) and transportation issues within Oregon (TABLE II).

Within the general transportation issues, the ENVIRONMENTALIST position was applied to four hypotheses. Three of these were confirmed. The profile of ENVIRONMENTALIST, then, describes someone who is more likely to support the 55 mile per hour speed limit, more likely to prefer allocating money for buses rather than roads, and more likely to support high registration fees for gas guzzling cars.

For TAX HATERS, on the other hand, only one of the four hypothesized relations was confirmed. They were more likely to hold the opposite view of the ENVIRONMENTALISTS on the gas guzzler issues, presumably because they are opposed to higher taxes in any form.

There were no a priori hypotheses raised for LOCALISTS but two hypotheses for BUS HATERS were confirmed. Again in contrast to the ENVIRONMENTALISTS they were less likely to approve a higher registration fee for gas guzzlers and more likely to prefer spending on roads to buses.

The specific transportation issues presented more opportunity for hypothesis generation. For the ENVIRONMENTALISTS there were seven hypotheses, five of which were supported by the data. ENVIRONMENTALISTS were more likely to feel that highway funds should be used to finance parks, greenways and scenic rivers, less likely to feel that too much effort was being expended on non-highway projects, more likely to support bus lanes on a major freeway, more likely to oppose the building of a freeway, and more likely to approve of a major conservation project, the Willamette Greenway.

For TAX HATERS there were five hypotheses, three of which were supported. TAX HATERS were less likely to support the application of highway funds to parks, greenways, and scenic views, more likely to feel that too much effort was being expended on nonroad projects, and less likely to agree that the State Department of Transportation was spending tax money wisely.

For LOCALISTS four hypotheses were supported. This segment was more likely to agree with statements that too much highway department effort was being diverted to nonroad projects, that the state government has been too anxious to build more roads, that the state government spends too much money in Portland, and that the State DOT does not spend money wisely.

For BUS HATERS there were two hypotheses, and both were supported. This segment was more likely to agree with the statement that too much money was being allocated to buses instead of road repair and less likely to agree that special bus lanes are a good idea.

Most of the results are not surprising. They reinforce basic stereotypes that one might have of the attitude segments. ENVIRONMENTALISTS were more supportive of all basic environmental issues. LOCALISTS and TAX HATERS also took predictable stands on most, although not all, relevant issues.

CONCLUSIONS

Given that public participation in transportation planning is required by law, it is important that planners incorporate such input democratically and effectively. The proper time to find out what the public wants is prior to commitment on specific projects or courses of action. Knowing ahead of time will allow planners to educate the public, or at the very least, avoid intractable conflicts. Of course, the proper method depends upon a representative sampling of the public -- not just those who enjoy attending public meetings. It also depends upon a representative weighting of opinions from all segments of the population.

Identifying key segments with different needs and opinions is an intriguing problem. This paper investigated how the process might develop through applying attitude segmentation based on survey research. Several potential "extremist" segments were selected a priori on the basis of general opinions: ENVIRONMENTALISTS, TAX HATERS, LOCALISTS and BUS HATERS.

As expected, the study found that these four groups did represent relatively independent segments of significant and identifiable proportions. It also found that these segments held different orientations toward certain transportation activities.

Although the results of the study are presented as a prototype (which of course would have to be further developed as a formal process before application to specific decision situations), several suggestions can be made. The first involves representation. To understand the signals given by the public to the planners about planning options, planners must recognize the characteristics of the segments of the public holding particular attitudes. They must also recognize the numerical strength of these segments existing within the public-at-large. This permits planners to identify the degree of representation for publicly held opinion. It also permits them to lean against the opinions expressed at public meetings but which in reality have little constituent support.

The second involves the identification of implicit coalitions. Coalitions in a political environment are held together by commonly expressed attitudes and preferences. These attitudes can be studied as attributes of individual segments of the public. The findings then become the basis for creating combinations of segments, through commonly held attitudes. This then becomes a foundation for creating supporting coalitions in a political process.

Closely related is the third concept, in effect to "bargain" among segments, so that preferences of low priority within a group are "traded" with preferences of other groups in order to establish coalitions which would then advocate the preferences held in common by both groups.

The concept of segmentation in public participation is thus both a unit of analysis and of action. Most people have multiple preferences; segmentation based on singular variables cannot be expected to define their positions conclusively. However, by the identification of salient attitudes, it permits the initial segregation of major constituent groups, from which further elaboration may proceed. Rigorously pursued segmentation can produce equitable representation that normally occurs in public meetings or solicitation of voluntary opinion, devices which reflect the current state of public input mechanisms. Finally, it provides a conceptual basis for planning strategies in order to ensure the success of projects.

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TABLE I

RESPONSES TO GENERAL ISSUES INVOLVING TRANSPORTATION ACROSS FOUR ATTITUDINAL SEGMENTS

(% indicating agreement)

	ENVIRON- MENTALISTS		TAX HATERS		LOCALISTS		BUS HATERS	
	Yes	No	Yes	No	Yes	No	Yes	No
1. Putting people to work repairing roads is not a good way to increase employment.	14	21	15	15	14	19	26	11*
2. Trucks do not pay their fair share of what it costs to build and maintain roads.	43	32	40	41	45	31*	26	42*
3. The 55 mile per hour speed limit should be increased to a higher speed.	20	40	30	21	36	16*	33	24
4. More Federal gas tax money should be returned to Oregon for improving primary and secondary State roads.	97	93	96	91	93	94	89	95
5. Assuming we need additional transportation, I would prefer to see more roads than more buses.	27	49	43	21*	43	23*	62	23*
6. Cars with poor fuel economy should be charged a higher registration fee.	61	30	37	65	47	56	26	57

TABLE II

RESPONSES TO SPECIFIC ISSUES INVOLVING TRANSPORTATION ACROSS FOUR ATTITUDINAL SEGMENTS

(% indicating agreement)

7. I favor statewide transportation planning.	88	59	76	84	78	80	61	87*
8. Local government needs more money for local streets.	80	67	71	87	75	80	73	78
9. Highway funds should be used to finance things like parks, greenways and scenic rivers.	61	34	46	66	48	52	36	58
10. I think too much state money is now going to buy buses rather than to repair roads.	40	51	56	23	50	33	81	36*
11. The Oregon Highway Department expends too much effort on projects other than roads and highways.	42	63*	58	36*	62	28*	62	44
12. In the past, the people in the state government have been too anxious to build more roads.	69	63*	67	57	65	48*	59	67
13. It was a good idea to cancel the Mount Hood Freeway through Southeast Portland.	50	32*	39	48	38	46	29	44
14. The Oregon Department of Transportation spends too much money in Portland and neglects the remainder of the state.	46	63	59	34*	67	25*	59	48
15. The special car pool and bus lanes called H.O.V.'s on the Banfield Freeway in Portland are a good idea.	67	44*	35	65	60	62	41	66*
16. The Oregon Department of Transportation spends our tax money wisely.	51	26*	28	49	29	62	33	40
17. The Willamette Greenway is a good idea.	84	46*	63	91*	70	83	69	82

ABSTRACT

STRATEGIC PLANNING FOR RECREATION ORGANIZATIONS: AN
APPLICATION OF PRODUCT PORTFOLIO ANALYSIS FOR THE
NONPROFIT ORGANIZATION

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All university and public organizations are experiencing a need to evaluate their existence in severe economic times and the university/college recreation organization is no exception. Strategic marketing planning is a technique that has been used with much success in a business setting to make such critical evaluations of organizations. This paper will demonstrate that this particular business tool can be applied to a service organization such as a recreation department (as a S.B.U.) to better serve its customers, the recreationists, and help the organization determine its

priorities and goals. Product portfolio analysis was chosen as the key analytical tool for the analysis since it does not require many dimensions and can be easily handled by the management team. Portfolio analysis can be used at either the self-evaluation stage or the program positioning stage of the strategic marketing planning process. However, there must be some adjustments in the application from the traditional business use. These adjustments and the strategic guidance which evolves are discussed in detail with examples.

ABSTRACT

PUBLIC AFFAIRS DIRECTORS' VIEW OF BUSINESS-MEDIA RELATIONS

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In significant degree, the role of public affairs departments in the large corporation is to represent the corporation to the public. Public Affairs staffs are frequently in the unenviable position of having to mediate between senior executive demands that a good corporate "image" be maintained and an always inquisitive and sometimes hostile press.

A primary objective of the public affairs function is to represent the corporation to the public in as favorable a light as possible. The assumption is that a favorable representation will enhance long-term profit or at least minimize its erosion. Because this representation requires exceptional ability in written and verbal communication, the educational background of public affairs staffs tend to be less in the functional areas of business and management, and more in such non-business related areas as the social sciences, humanities, and journalism. In terms of educational background, the public affairs director is as likely to resemble the journalist he communicates with as the senior executive he works for. The public affairs staff is in the middle in another sense as well. Unlike most other functional areas of business, it is extremely difficult to measure the contribution of public affairs to profit. Public affairs directors, although in frequent contact with senior management, are seldom considered part of the "management team." And a career in public affairs, while offering rapid advancement to middle management, is seldom a path to the top.

The public affairs staff has been characterized as a sort of "fifth column" within the corporation. It has been said that they identify more with the press and academia than with the corporation that employs them. This raises a se-

rious potential problem: public affairs staff are employed to represent the corporation to the public; the question is do they do this adequately?

Given the intermediary role of public affairs staff (between senior management and the press), combined with their educational backgrounds and ambivalent status regarding the profit concerns of the corporation, we wanted to know if there were significant differences of opinion between public affairs staff and senior corporate management on issues related to business and the media.

This study attempts to partially answer this question by comparing the responses from public affairs staff and chief executive officers of the nation's largest publically held corporations. Both groups were asked a number of questions relating to business and the media. The sample was derived from a mailing conducted between September and December 1982 to 1098 of the Fortune 1000 largest industrial firms and the 300 largest nonindustrial firms. Responses included 206 chief executive officers and 236 public affairs staff.

The findings indicate that with a few qualifications, the public affairs staff hold views of business and the media very similar to that of the CEOs. Thus while the educational and other background characteristics of public affairs staff combined with their intermediary position in the firm, would lead one to hypothesize that their views on business and the media might differ from the CEOs, this does not appear to be the case. This conclusion should be of some relief to those who are concerned that public affairs staff do not adequately represent corporate interests.