

MARKETING EDUCATION IN RUSSIA: EVOLUTION AND PERSPECTIVES

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Abstract

The official ideology of the Soviet Union was highly critical of marketing, yet there were marketing specialists in the Soviet Union, providing knowledge and skills necessary for the state's official state foreign trade agencies. The founding of the Marketing Section within the USSR Chamber of Commerce in 1975 and the publication of the first Russian translation of Kotler's *Marketing Management* in 1980 launched marketing as a sphere of theoretical and practical studies in the country. This paper focuses on the drivers and barriers to the development of marketing education in post-Soviet Russia, and analyzes the economic situation for market reforms, higher education systems, and marketing faculty backgrounds in Russia. The case of marketing education and marketing research in Russia is presented. This paper describes standard marketing course content as well as marketing faculty qualifications and provides a critical review of the study materials and teaching methods used. The paper concludes with possible scenarios for the future development of marketing education in Russia.

Introduction

Teaching marketing in a centrally planned economy may appear to be an oxymoron to anyone who grew up and was educated in a developed, capitalist country. However marketing education in Russia did not start with the market reforms of the early 1990s. As early as the 1960s, some in the Soviet leadership recognized that the state-owned enterprises had to produce goods that consumers were willing to buy, and they called for reforms including better measurement of domestic demand to improve central planning¹. By the 1970s foreign trade specialists in key ministries recognized that an understanding of markets and marketing was required if the Soviet Union was to trade its goods with capitalist countries. Talented, forward-looking economists were attracted to the study of marketing and its practical application to Soviet foreign trade. With *perestroika* in the mid-1980s information on

¹ Fox, K.F.A., and Skorobogatykh, I.I. Saginova, O.V., 2005. The Soviet Evolution of Marketing Thought, 1961-1991: From Marx to Marketing. *Marketing Theory*, September vol. 5: no. 3 283-307

modern marketing became more widely available, and its acceptability and application grew in the post-Soviet 1990s.

Our purpose is to present the significant developments of marketing education in post-Soviet Russia focusing on its specific features and differences compared to marketing education in the developed economies.

The Emergence of Marketing Thought in Russia

The earliest suggestions that some lessons from capitalist marketing could be usefully applied in the Soviet economy came in the 1960s. At this time the term маркетинг (which is simply the Cyrillic transliteration of the English word 'marketing') came into limited use. This was a new term to denote a concept that had not existed before in the Soviet Union. The Ministry of Foreign Trade became a fertile ground for new marketing ideas and practices. With their primary responsibility for selling Soviet raw materials and products to overseas markets, and for purchasing goods from abroad, the Ministry needed to understand foreign markets, buying behavior, and marketing.

VNIK², the All-Union Scientific Research Institute of the USSR Ministry of Foreign Trade founded in 1947 and charged to carry out research relevant to foreign trade and foreign markets, and to assist in Soviet foreign trade efforts be more competitive, actively promoted knowledge of marketing among foreign trade experts. They did this through the translation and publication of articles originally published in foreign languages. Institutes affiliated with the Ministry of Foreign Trade provided academic instruction in marketing topics relevant to foreign trade. Through the 1970s, marketing as a coordinated system of business activities was used almost exclusively by Soviet foreign trade organizations.

The signing of the Helsinki Accords in 1975 and the initiative of Nikolai Smelyakov, the Soviet Deputy Minister of Foreign Trade, helped to establish the Marketing Section in the USSR Chamber of Commerce to study and promote marketing.³ The Marketing Section established in 1976 brought together ministry and research institute professionals, to advocate for the idea of marketing, and to compile and disseminate marketing information to the professional community. The foundation of the Marketing Section launched marketing as a sphere of theoretical and practical studies in the Soviet Union in a limited number of specialized institutes, even though marketing-related scientific research

² <http://www.vniki.ru/>

³ Fox, K.F.A., Skorobogatykh, I.I. Saginova, O.V., 2005. The Soviet Evolution of Marketing Thought, 1961-1991: From Marx to Marketing. *Marketing Theory*, September vol. 5: no. 3 283-307

and dissertations began to be published and presented at academic conferences only in the mid-1980s.⁴

The Emergence and Proliferation of Marketing Education in Russia

In 1985 Mikhail Gorbachev promulgated his policy of *perestroika*, which created new opportunities for Soviet citizens to engage in private enterprises. Foreign and new Soviet publications on previously omitted topics became available. Economics faculties began to offer courses in mainstream economics and marketing. The coming of *perestroika* increased demand for formal business studies, and the number of marketing courses offered quickly outstripped the supply of qualified instructors to teach them. Many of the new marketing instructors were drawn from linguistics (because they knew foreign languages and could read foreign books on marketing); from applied economics (because they had some practical experience in trade, research and quantitative methods); and from political economy, which meant they had taught basic courses in economics. With the change of economic systems, the political economists needed to switch to new areas of study that were in demand — such as marketing.⁵

New forms of business required a better understanding of business processes and created wide demand for books in all areas of business, including marketing. The diffusion of modern marketing beyond the Moscow institutes and ministries was accelerated by the 1980 publication of the first Western marketing textbook in the Soviet Union, despite the fact that this first Russian-language edition of Philip Kotler's *Marketing Management* was greatly abridged by government censors. Chapters on market segmentation and targeting; product, brand, and new-product strategy; pricing and channel decisions; sales force decisions; and international marketing were omitted.⁶ Its first and only printing—12,000 copies—sold out quickly. The first complete translated edition of Kotler's *Marketing Management* only Saginova appeared in 1990.

Major bookstores in large Russian cities now carry a large variety of translated marketing books from all over the world. Russian translations of Western marketing textbooks, including

⁴ Danko, T., Saginova, O.V., Skorobogatykh, I.I., Fox, K.F.A. (2001) 'Stanovlenie Marketinga v Rossii: Analys Tem i Napravleniy Nauchnykh Issledovaniy' [The Evolution of Marketing in Russia: Analysis of Dissertation Research Topics], *Marketing i Marketingovye Issledovaniya v Rossii*. 2(32): 6-14

⁵ Fox, K.F.A., Saginova, O.V., Skorobogatykh, I.I. (2001) 'Stanovlenie Marketinga v Rossii: Kto Prepodaet Marketing v Rossiiskikh Vuzakh?' [The Evolution of Marketing in Russia: Who is Teaching Marketing in Russian Universities?], *Marketing i Marketingovye Issledovaniya v Rossii*. 5(35): 4-10.

⁶ Fox, K.F.A., Skorobogatykh, I.I., Saginova, O.V. (2008) 'Philip Kotler's Influence in the Soviet Union and Russia,' *European Business Review*, 20(2): 152-176.

specialized books, often appear within several months of the original version. Marketing textbooks by Russian authors abound, ranging in quality and topics.

The first specialized marketing program was developed at the Plekhanov Russian University of Economics in 1993 by the Marketing Department established at that university in 1990. At that time there were no professors in Russia with degrees in marketing. So who taught in this new program? Research undertaken by an international group of researchers (Fox et al 2001) and including faculty surveys, in-depth interviews, and examination of Russian universities' web sites and brochures produced a number of important results: (1) demand for marketers triggered the development of marketing-focused study programs not only by schools of economics and management, but also by technical universities; (2) the shortage of marketing professors resulted in attracting foreign guest-lecturers; (3) most university-level marketing professors originated from four specializations of faculty members: political economy, applied economics, mathematical modeling and foreign languages studies.

Growing demand for marketers encouraged Russia's specialized technical universities to offer marketing courses, but these courses were usually very narrowly focused on a specific industry (railway transportation) or resource area (the timber industry). Professors delivering these courses focused on specific markets and described the relationships of their key players, which was useful for the students majoring in these specialties. However the lack of solid marketing education and lack of business experience of both the professors and the students often resulted in low quality and often loosely structured bits of basic marketing information delivered to the students without any application to specific industries or sectors of the economy.

A comparative analysis of the backgrounds of marketing professors of early and mid-1990s in Russia is given in Figure 1.

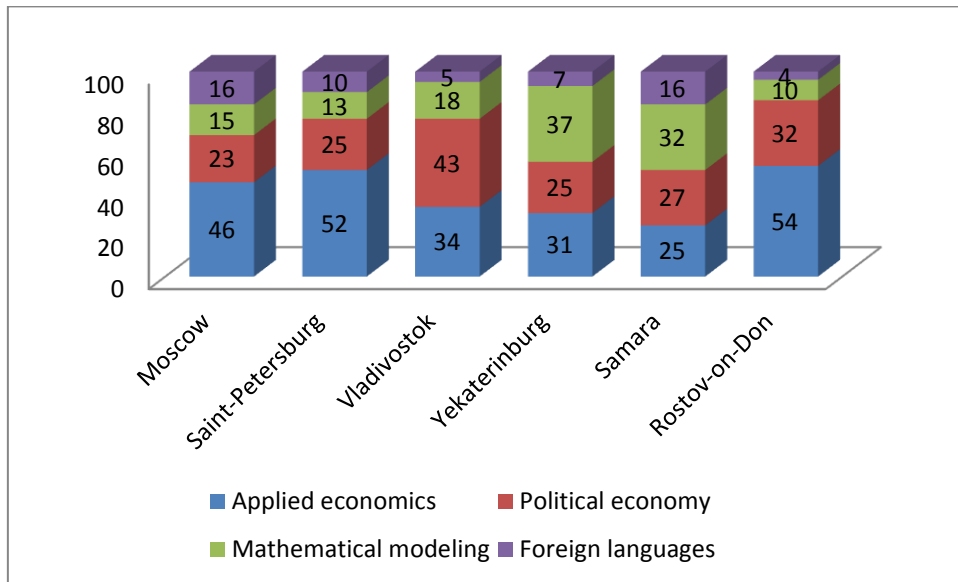


Fig. 1. Comparison of background of marketing professors in major Russian regions

Attracting foreign experts and specialists in areas where there was a lack of domestic expertise was practiced by the Soviet government long before the transition to a market economy. In the 1920s and 1930s foreign experts helped with Soviet industrialization projects, in the 1950s and 1960s the Soviet Union sent its own specialists to assist in knowledge and expertise transfer to Cuba, Vietnam, Mongolia, and accepted students from these countries to Soviet universities. The foreign professors who came to Russia in the early 1990s to lecture and consult on issues of business and management varied considerably in level of expertise and quality of the lectures delivered. Some were true specialists, while others were principally religious missionaries with dubious professional expertise. At first they were all well received by Russian universities, but very soon students were bored by missionaries preaching of the same basics over and over again, and only those foreigners who demonstrated real expertise and knowledge established long-term relations with the Russian schools of business.

In the 1990s Russian universities also followed the historical example of Czar Peter the Great who, in the 18th century, sent embassies of Russians to be trained in the latest technologies in the Netherlands and Germany. Russian universities, assisted with funding from private educational centres and companies, sent their professors to the United States, the United Kingdom, and other European countries to study the market economy and business subjects. REU faculty members studied at Crown Agents Study Centre in the United Kingdom, Italy, and Germany. Western universities funded special faculty development programs for lecturers from Eastern Europe and Russia. (Examples include the IFDP program at IESE, Spain and Bocconi, Italy, and the IMTA

program in Slovenia.) However all these foreign knowledge transfer were carried out at the same time that marketing courses were being taught in Russia, where the demand was high. Marketing and business-related programs were offered both by Russian public and private universities and colleges which grew in number to meet the demand. Marketing professors from Russian public universities had opportunities to find additional employment at private institutions which offered very competitive salaries. On the one hand, this side employment helped marketing professors survive and achieve higher living standards, but on the other hand this contributed to their low research and publishing activity. This also had a negative impact on the quality of teaching, as a professor who does not have time to read the latest publications, does not contact and consult with businesses, and is not engaged in any research will only lecture on the theory of his subject area.

Marketing Education in Present-Day Russia: Levels and Content of Studies

Marketing education in present-day Russia exists at undergraduate, graduate (Master's), and post-graduate (Ph.D.) levels. At the undergraduate level all business students take principles of marketing. Required courses for a degree in marketing include marketing management, marketing research, marketing communications, international marketing, marketing strategy and marketing information systems. There are fewer elective courses for marketing students in Russia than in US universities, and a larger number of specialized courses are offered than are usually included in similar programs in Eastern European schools. Russian students therefore study a structured sequence of courses, which assures that students have completed the prerequisites for more advanced courses. On the other hand, they study specialized marketing courses one by one, not always integrating them. This sometimes results in covering the same topics in different courses, such as BCG matrix analysis in principles of marketing, then in marketing planning, and again in marketing management. Students may find this confusing and get the impression they are repeating the same material.

Russian book stores carry an abundance of marketing texts by Russian authors and translated American and European editions, making traditional lectures less important. However some professors are still more comfortable with lecturing and then testing the students on what they remember, rather than engaging students in doing projects and analyzing cases, and then testing students on applying what they have learned. The situation is improving rapidly, with more cases available based on Russian business *realia*, and with more international faculty exchange. It should still be noted that more rapid changes are taking place in Moscow, St Petersburg and in other universities in major cities, while marketing professors in the regions still rely on the traditional lecture/seminar format.

At the graduate level students study advanced marketing management and some deeper and narrower courses such as brand management, managing customer loyalty, B2B marketing, and others.

Post-graduate studies at the doctoral level in Russia generally focus on individual research by the student. The instructional component is limited to preparation for a exam in the student's specialization. A graduate student with a background in technology or other non-managerial subjects may have had no basic marketing education at all. Furthermore, doctoral research is required to be practically oriented. The Ph.D. dissertation is expected to provide practical recommendations to companies, industries, and regions. This is more likely to happen when doctoral students are working for companies which provide access to their information and data; the situation is much more difficult for full-time students who are not employed. As a result many dissertations present practical applications or strategies, but limited theoretical constructs and conceptual research hypotheses.

The same is true about marketing articles, monographs, and other publications by Russian marketing academics. Many are practically focused and provide interesting empirical results, but most are descriptive in nature. For these reasons, along with limited English language proficiency of the researchers, these writings often are not accepted for publication in leading marketing journals internationally.

A comparative analysis of publications in leading Russian and international journals was undertaken to find out differences and specific characteristics of research papers by marketing academics and practitioners. Using the existing rankings of marketing journals, three leading Russian journals and three international journals were selected. Based on a Russian Marketing Guild survey, the three most influential Russian marketing publications are *Marketing and Marketing Research*, *Practical Marketing*, and *Marketing in Russia and Abroad*. The three top marketing journals ranked by the Academy of Marketing Science are *Journal of Marketing*, *Journal of Marketing Research*, and *Journal of Consumer Research*. Table 2 presents the characteristics of the six selected journals.

Journal Title	Rating of the Journal
Russian Marketing Journals	
<i>Marketing and Marketing Research (Marketing and marketingovye issledovania)</i> , published by Grebennikov publishing house.	Listed as # 1 by the annual survey of marketing experts conducted by The Russian Marketing Guild

<p>Oriented to practitioners and academics. Listed in the special lists for publications for doctoral dissertations by All-Russian Academic Board of the Russian Ministry for Education and Science. Articles are passed through reviews. 6 issues a year. (established in 1996)</p> <p>http://www.grebennikoff.ru/product/3/</p>	
<p><i>Practical Marketing (Practicheski marketing)</i>, published by BCI-Marketing. Listed in the special lists for publications for doctoral dissertations by All-Russian Academic Board of the Russian Ministry for Education and Science. Articles are passed through reviews. 6 issues a year 12 issues a year. (established in 1997)</p> <p>http://www.marketingpro.ru</p>	<p>Listed as # 2 by the annual survey of marketing experts conducted by The Russian Marketing Guild</p>
<p><i>Marketing in Russia and Abroad (Marketing v Rossii I za rubezhom)</i>, published by CFIN publishing house. Established in 1997. 6 issues a year.</p> <p>http://www.cfin.ru/press/marketing/</p>	<p>Listed as # 3 by the annual survey of marketing experts conducted by The Russian Marketing Guild</p>
<p>International Journals (listed and ranked by Academy of Marketing Science, based on combination of importance/prestige and popularity/familiarity indexes)</p>	
<p><i>Journal of Marketing</i>. American Marketing Association, established in 1936. Articles in <i>Journal of Marketing</i> are peer reviewed http://www.marketingpower.com/</p>	
<p><i>Journal of Marketing Research</i>. American Marketing Association, 6 issues a year. Peer-reviewed journal is published for technically oriented research analysts, educators, and statisticians</p>	
<p><i>Journal of Consumer Research</i>. Founded in 1974, the <i>Journal of Consumer Research</i> publishes scholarly research that describes and explains consumer behavior</p>	

Table.2. Leading Marketing Journals (Russian and International)

From the three Russian journals the first issue of each year 2008, 2009, and 2010 was selected. Three papers were randomly selected out of these issues, yielding a total of 27 articles. Content analysis was carried out to assess their similarities and differences. The comparative analysis of the selected papers revealed some differences of the Russian publications which were then assessed as advantages and shortcomings by a group of experts, including Marketing Guild members and Russian Marketing Association Board members. Advantages are defined as characteristics of articles that support the dissemination of the authors' ideas for practical application in the international marketing community, while shortcomings are characteristics preventing this penetration. These advantages and shortcomings are listed in Table.3.

Advantages of Russian Marketing Articles	Shortcomings of Russian Marketing Articles
Practical orientation of papers (every paper contains analysis of a practical case or initiated by a business problem)	Limited use of theoretical models (in best papers only the description of one model is used),
Comprehensive analysis of rich empirical data	Limited references to the previous research and publications
Combination of theoretical analysis and managerial recommendations for activity improvement	Limited use of mathematical and statistical models in the empirical data analysis, papers are more descriptive

Table 3. Advantages and Shortcomings of Russian Marketing Articles

The comparative analysis indicates that articles by Russian marketing academics and researchers are not accepted for publication in leading international journals due to these differences, and therefore their ideas and recommendations are not disseminated to the international marketing community.

As marketing academics become more and more interrelated and collaborate in carrying out research and jointly authoring articles, Russian colleagues are expected to match the structure and format customary for international marketing journals. Hence, the internationally recognized structure of papers should be promoted by the leading Russian marketing journals as well, and Russian marketing education programs at the graduate and post-graduate level should train students in using the internationally accepted publication standards.

Tendencies and Perspectives of Marketing Education in Russia

Globalization in marketing is a fact of life. Marketing academics are becoming more globalized, as they use the same textbooks, read the same journals, and participate in the same conferences and symposia. Internet communications facilitate this exchange of knowledge and ideas, and joint research and authorship by academics across national boundaries is becoming more common. The quality and content of marketing education in Russia meets the generally accepted international standards, enabling Russian university graduates with marketing degrees to build successful careers in multinational companies in Russia and abroad. Marketing practices of local and foreign companies in Russia provide fertile soil for research topics and teaching materials and cases. Marketing education in Russia should provide the basis for this convergence of marketing knowledge and teaching standards.